BUSINESS PLAN
2027-2033

SUPPORTING MATERIALS

26 FEBRUARY 2026

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Strategic Environmental Assessment (SEA) Statement

Accent

SR27: Customer Expectations

Final Report

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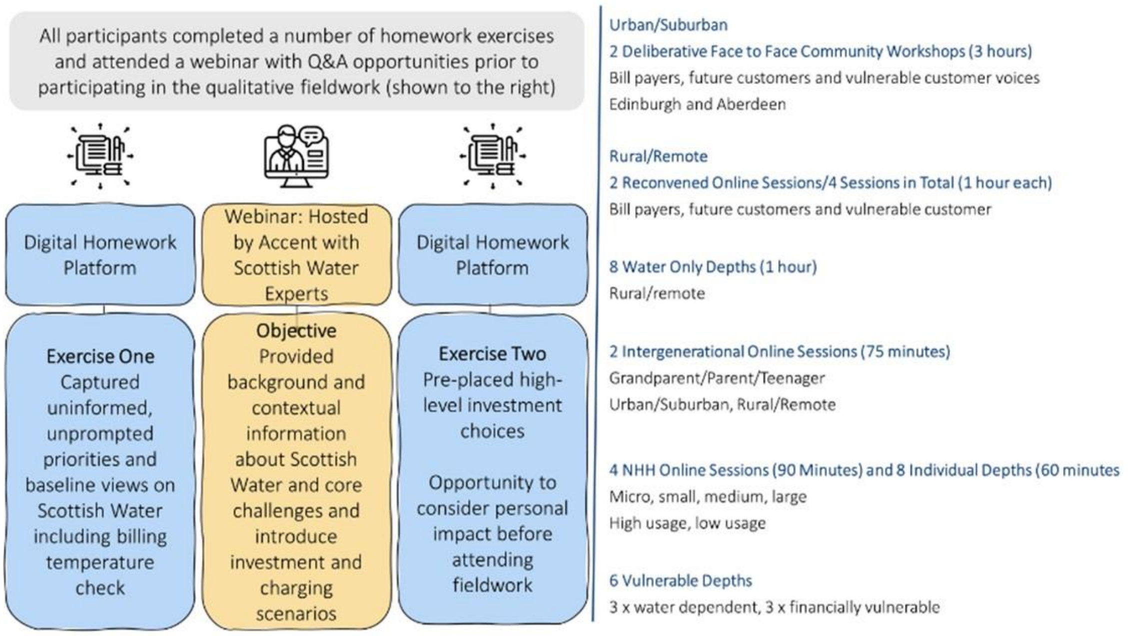
Executive Summary

Introduction

The overarching objectives of this research study were to:

- establish customer expectations of Scottish Water during SR27; and
- understand customers' views and preferences around charging and investment scenarios in order to inform development of Scottish Water's Draft Business Plan for SR27.

The study was conducted through an extended qualitative methodology summarised below:



Context

- There is high satisfaction with service levels across all sample types. The everyday service is good for a significant number of participants in this qualitative sample and customers feel proud of Scottish Water believing the quality and supply is excellent and better than other countries.

- However, Scottish Water are seen as 'invisible' and there is low awareness of the scope of Scottish Water responsibilities, their work in the community and protecting the environment. Greater communication of what they do, particularly their achievements, would be welcomed.

- There is limited knowledge or awareness of wider infrastructure challenges such as ageing assets.

There are growing concerns about the waste water side of the business, particularly sewer flooding and overspills. These concerns are fuelled by news of the situation in England.

- Household customers lack engagement with water charges, and, for some, the current charging system is seen as outdated and unfair, penalising low users and discouraging water conscious behaviours.

Spontaneous Needs for SR27 Period

- Customers do not want to see a decline in service levels, and some are mindful of the impact of under investment in infrastructure in England leading to asset decline, sewer flooding and poor water quality.

- Customers believe it is critical to maintain current service levels with focus on drinking water quality, continuous supply of water, asset maintenance, environmental pollution, sewer flooding, combined sewer overflows (CSOs), bathing and river water quality and fair costs.

- Other spontaneous needs focus on:
  - Greater communication from Scottish Water
  - Encouraging water conservation
  - More environmental projects
  - Minimising local disruption
  - Rewards and incentives for reducing usage
  - Improving relationships
  - Technology and innovation for example greywater recycling
  - Community projects.

- Nothing in the high-level investment scenarios covered these 'other spontaneous needs'.

Choice Areas

Four specific choice areas were explored with customers. The emerging priorities are outlined in order below:

- Repairing and replacing assets
  - The most critical area centred on asset maintenance and the need to repair and replace vulnerable pipework at a rate that would, at least, ensure service stays at current levels
- Managing rainwater
  - Focus on sewer flooding and reducing rainwater that enters the sewers to reduce overspills
- Internal sewer flooding
  - Mixed response from customers, initially emotional and then rational, to addressing internal sewer flooding but clear strategy needed to address properties that are living with worry of internal sewer flooding

- Balancing supply and demand of drinking water
  - Modernising water treatment works felt to be important as it could positively affect a number of Scottish Water customers
  - Mixed views on leakage as although it is seen as wasteful, the overall trend has been reducing
  - Less convinced about projects that focus on transporting water around Scotland which was not felt to be a problem

High Level Investment Scenarios

Three potential investment scenarios were tested, which reflected Scottish Water's thinking in the early stages of developing their Draft Business Plan. It was explained to participants that these were early drafts scenarios.

- A lower paced investment scenario with a CPI +2% bill increase (named Turquoise for the purposes of this research)
- A medium paced investment scenario with a CPI +4% bill increase (named Aqua)
- A faster paced investment scenario with a CPI +6.5% bill increase (named Cobalt)

- **Note**: Each scenario was a given a name to aid participant recall, and to avoid any potential anchoring bias that could be introduced using other formats such as numbering or letting.
- None of these scenarios was fully endorsed by participants:
  - Turquoise was rejected
  - Aqua was very reluctantly endorsed
  - Cobalt was endorsed but reluctantly
- The term "endorsed" has been used as an overarching summary of customers' views. This reflects the extended nature of the research process, during which participants were given the time and space to build their understanding of the water sector and the challenges faced by Scottish Water.
- The slowest pace scenario with an associated CPI +2% increase, was rejected as the outcomes were considered poor and it creates a risk of worsening supply interruptions and waste water spills.
- This scenario is likely to be reputationally damaging for Scottish Water, eroding brand goodwill and burdening future generations.
- The idea of charging a CPI +2% increase for this scenario was considered to be confusing and immoral against a background of customers demanding progress, pace and demonstrable infrastructure investment in SR27.

- Aqua (the medium paced scenario with an associated CPI +4% increase), was felt to be disappointing and unambitious, failing to address long term challenges, meet basic expectations and prevent infrastructure decline.
- In isolation, without seeing other BAU elements, it does not feel as though it is delivering good value for money at CPI +4%.
- However, about a third of the qualitative sample[1] reluctantly accept this scenario to avoid the CPI +6.5% charging impact associated with Cobalt (the fastest paced scenario with an associated CPI +6.5% increase).
- Cobalt (the fastest paced scenario with an associated CPI +6.5% increase) was seen as the most positive and ambitious, and best placed to address the longer-term challenges that would reduce the risk of future service problems.
- Cobalt does focus on maintaining ageing infrastructure, faster repair and replacement of assets, positively impacts leakage and includes projects to reduce sewer floods and modernise treatment works which were popular with participants.
- However, not all qualitative participants were convinced that the outcomes were delivering sufficient progress for the proposed CPI +6.5% charging impact. And the percentage increase was unaffordable for some participants.
- It does not feel like good value to some participants if the promise for the critical areas of 'repairing and replacing assets' is 'maintaining spending at the same level' with no improvement in reducing the rate of bursts.
- The focus on tackling flooding starting in cities in the Central Belt was contentious for some.

[1] These findings are based on a qualitative sample and are not statistically representative of the wider population

1 INTRODUCTION

1.1 Background

Scottish Water supplies drinking water to around 2.6 million households and 160,000 business premises, providing about 1.5 billion litres of water every day. It is also responsible for managing wastewater from homes and businesses, treating waste water, and ensuring that the water returned to the environment meets strict quality standards.

Scottish Water is regulated by several bodies:

- The Water Industry Commission for Scotland (WICS): Sets the charges that Scottish Water can levy and monitors its efficiency
- Scottish Environment Protection Agency (SEPA): Oversees environmental performance and ensures that water services meet environmental protection laws
- Drinking Water Quality Regulator (DWQR): Monitors the quality of drinking water supplied by Scottish Water.

The Scottish Water Strategic Review of Charges is a process conducted by WICS every six years to determine the charges that Scottish Water can charge for its services. The price review sets the framework for Scottish Water's operations, investments, and customer charges over the review period. It ensures that Scottish Water delivers high-quality services at a fair price, while making necessary investments in infrastructure and maintaining environmental and sustainability standards.

The next Scottish Water price review, SR27, will require Scottish Water to submit a detailed business plan that outlines investment needs, service levels and pricing strategies for the 2027-2033 period. This plan must be evidence-based and consider the maintenance and replacement of critical infrastructure such as pipes and treatment plants, which have long-term implications for service quality and cost. A key focus of the review will be balancing the needs of current and future customers, ensuring that investment costs are fairly shared.

A critical aspect of the price review process is engagement with customers, stakeholders, and communities to understand their priorities and expectations. This feedback influences decisions on:

- Service improvements
- Investment in infrastructure and technology
- Customer affordability and tariff structures.

Scottish Water is in the process of developing its business plan for the SR27 regulatory period. The draft version of the plan will be published in June 2025, with the final version to be released by February 2026.

The SR27 business plan will build upon Scottish Water's Long-Term Strategy (LTS), which is designed to provide a comprehensive roadmap for the future of water services in Scotland. The LTS will outline key priorities and objectives for ensuring a resilient, sustainable and customer focused service, with a particular focus on innovation, climate change adaptation and long-term infrastructure investment. A draft version of the LTS is expected to be published in January 2025, with formal submission to follow in April 2025.

This report outlines the first dedicated research with customers testing potential investment scenarios for SR27. Additional research activities will be undertaken by Scottish Water to further test the SR27 plan in the later stages of their research programme.

1.2 Objectives

This research study aims to provide customer insight to inform the development of the SR27 plan through the following research objectives:

- Establishing customer expectations for Scottish Water over the course of SR27, through:
  - Understanding customers' prompted and unprompted expectations of Scottish Water over the SR27 period
  - Understanding preferences and priorities of customers in a range of potential approaches and outcomes for customers, communities and the environment.
- Understand customers' views and preferences around SR27 charging and investment scenarios, exploring:
  - The level of support for various SR27 investment and charging scenarios, which will be linked to risks, opportunities and outcomes for customers, communities and the environment, being transparent with customers about the potential impact on their bills.
    - Consider the personal impact of these scenarios, as well as the potential impact on people in different circumstances.
    - Understanding the reasons that customers might support or not support scenarios, and what would increase or decrease their support for scenarios.
  - Customer views and preferences around how choices made in SR27 will impact the delivery of the long-term outcomes set out in the Long-term strategy, linking this to the challenges that Scottish Water faces (Climate change, ageing assets, increasing regulatory standards etc.)
- How customers view all proposals in terms of intergenerational equity and impact on future customers, and seeking to understand how perspectives might differ across the generations.

2 METHODOLOGY

2.1 Introduction

An extended qualitative methodology was designed to ensure that participants had sufficient time and space to reflect on the topics discussed and provide considered, meaningful insights. This approach allowed for deeper exploration of customer perspectives, enabling participants to articulate their views in a way that goes beyond surface-level responses.

By adopting this more extended and exploratory format, it was possible to capture richer, more nuanced feedback, ensuring that the findings reflect not just immediate reactions but also well-thought-out perspectives on key issues.

This research study (as shown in Figure 1) comprised four key phases designed to ensure customers were well-prepared to engage in the main discussions:

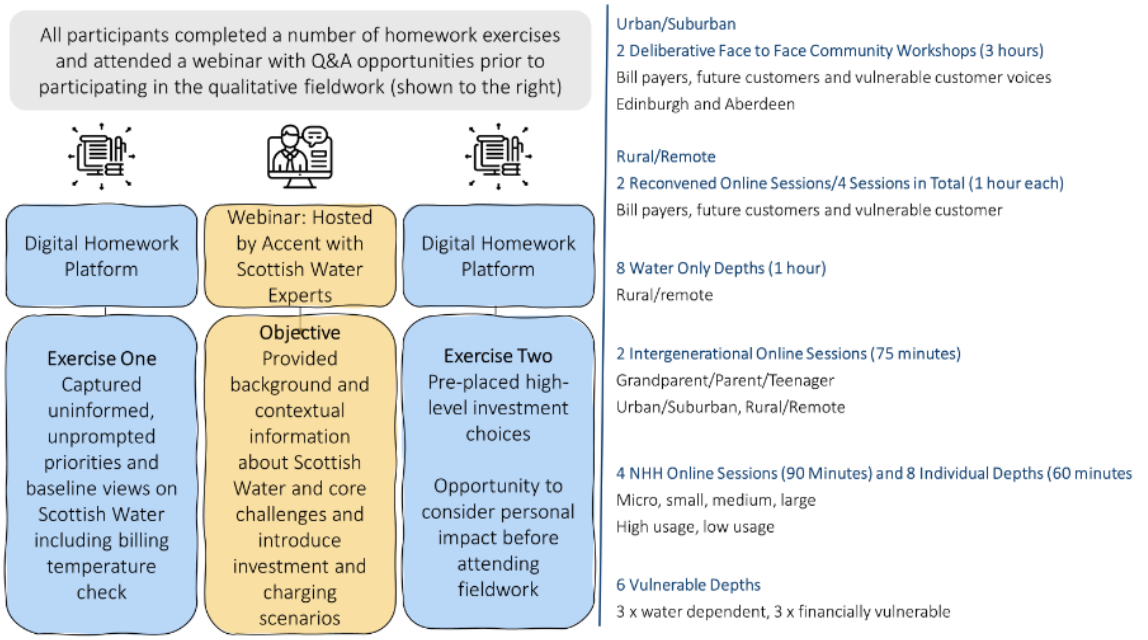
- Pre-task exercises to capture uninformed, unprompted spontaneous priorities
- Webinar (hosted by Accent with Scottish Water presenters). The webinar covered:
  - background information about the industry
  - the business planning process
  - Scottish Water's current performance
  - challenges to be addressed in the near, medium and long term
  - introduction to the business plan choice areas to be discussed in the main fieldwork

  Meaningful discussions were held where customers understood the challenges outlined in the Long Term Strategy and how these relate to the short term (2027-2033) and longer term (up to 2050) and understood the sort of investment choices that Scottish Water need to make
- A second pre-task to remind participants of the business plan choice areas and provide them with the opportunity to consider the personal/business impact
- Once participants were sufficiently informed, they then explored high level investment scenarios at one of the qualitative events:
  - Face to face community workshops (urban, suburban and rural domestic and future customers)
  - Reconvened digital focus groups (rural and remote domestic and future customers)
  - Individual digital depth interviews (customers in vulnerable situations)

– Digital discussion groups (Micro and Small business customers – those with between 1 and 49 employees)

– Individual digital depth interviews (Medium and Large business customers – those will 50+ employees).

Figure 1: Methodology diagram



2.2 Initial Homework Exercise

Prior to the webinar, all participants completed three homework exercises on the FlexMR digital platform. These were undertaken before any background information or performance data was shared to ensure that spontaneous expectations were based on uninformed customer needs and reflect the wider Scottish Water customers.

The tasks are shown below:

Figure 2: First initial homework task

Your first task: It's All About You

Please do a quick video selfie (or write in the space provided if you'd rather) to tell us:

- Your name
- Your household make-up (that's the people, and any pets, who live in your household including yourself)
- If you are working, or studying, or retired, or looking for work
- About any hobbies you have or what you like to do in your spare time
- What words would you associate with Scottish Water
- What, if anything, would you change

Figure 3: Second initial homework task

Your second task: What You Really Really Want

We are keen to understand what you want from Scottish Water in the future so please have a think about Scottish Water as the provider of your clean water and wastewater services. Please write in below answering the three areas. Think about what it might mean for you, your household, wider community and the environment:

1. EXPECT: What you expect Scottish Water to do – these are the services that you think are absolutely essential for Scottish Water to deliver
2. **NICE TO HAVE**: What you think **would be nice** for Scottish Water to do – these are the services that you think it would be useful for them to focus on but are not essential
3. **ICING ON THE CAKE**: What you think would be the **icing on the cake** for Scottish Water to do – this could be anything that you feel would be exceptional for Scottish Water to deliver.

Figure 4: Third initial homework task

Your third task: Looking Back and Looking Forward

You will see a timeline below that stretches back to 2010 and goes forward to 2035.

We want you to reflect on this 25-year period and think about whether your household needs have been met in the past and about how your needs might change in the future.

There may be things that you feel have changed during that period, like the weather or population, that might have changed your expectations or priorities of what you want Scottish Water to do or concentrate on.

Findings from these initial homework exercises were collated and shared with Scottish Water. They were also played back to participants for many of the subsequent sessions for wider discussion.

2.3 Webinar

A webinar was hosted by Accent and featured three Scottish Water speakers. Participants were introduced to Scottish Water, their current performance, future challenges and next steps in the research process.

Throughout the webinar, participants were encouraged to leave comments and ask questions in the chat function. There were three Q&A opportunities during the webinar.

During the main fieldwork, customers were invited to discuss any major surprises from the webinar with the following main themes recurring:

- Impact of wet wipes on pipe blockages
- Extent of ageing assets and bursts and leaks
- High water consumption
- Increased demand caused by population changes – West to East

- Scottish properties living with worry of sewer flooding
- Scottish Water do more than I thought for example scale and apprenticeships
- Impact of climate change and record breaking storms
- Scottish Water also have wastewater responsibilities
- Scottish Water are regulated and not for profit/publicly owned.

2.4 High Level Investment Scenarios

The Scottish Water team prepared three high level investment scenarios:

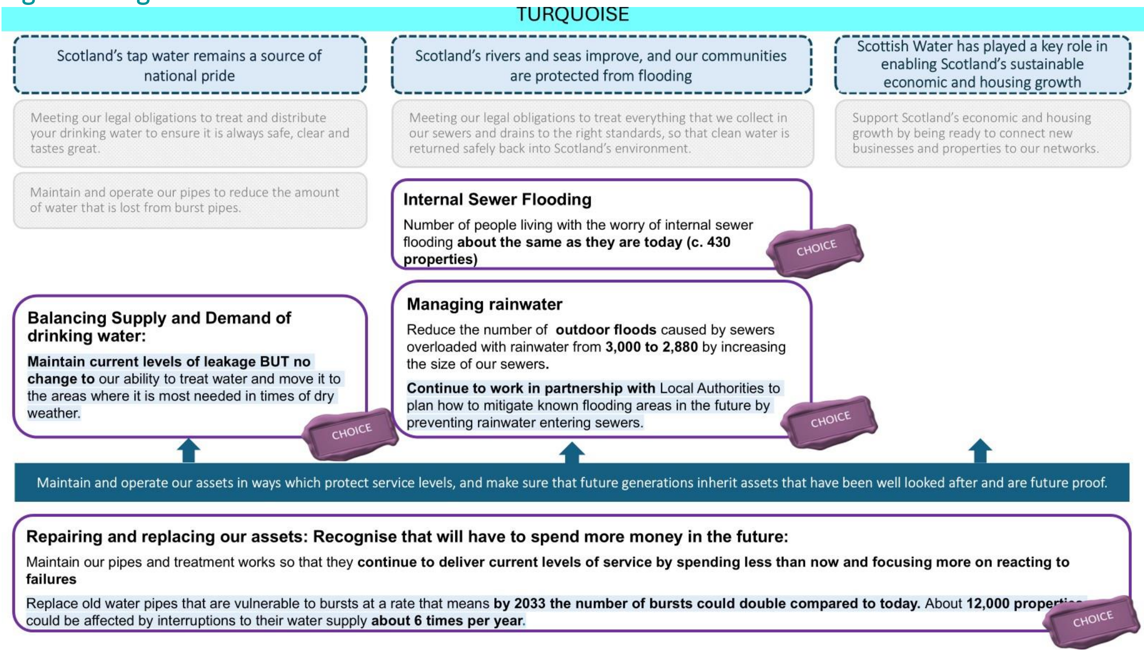
- Turquoise (CPI +2% bill increase)
- Aqua (CPI +4% bill increase); and
- Cobalt (CPI +6.5% bill increase).

Note: each scenario was given a name to aid participant recall and to avoid any potential anchoring bias that could be introduced using other formats such as numbering or letting.

These were used during the fieldwork. They were based on three charging structures and positioned as a starting point for discussion. During the groups and individual interviews, these high-level scenarios were shared and explored with customers to understand more about choice areas. (High level investments areas shown in Figure 5 and again in Appendix E.)

Participants were shown the potential bill impact for each scenario. For household participants these were based on their current council tax band (including any discount where applicable). For business participants these were shown on their current approximate bill amount. Future customers were not shown the bill impacts given their current non bill paying status.

Figure 5: High level investment scenarios



Scenario TURQUOISE:

What an increase could look like on your bills between 2027 and 2033

Example: Council Band A (no discount)

- Households would pay on average **£8** more than they did the year before, every year between 2027 and 2033
- By 2033, households would be paying **£51** more per year, than they did in 2027

The increases below are based in 'real terms'. They are presented in terms of value of money today, as we don't know what will happen with future inflation.

Council Tax Band	No Discount		Single Person 25% Discount		Full Discount 35%	
	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027
A	£8	£51	£6	£38	£5	£33
B	£10	£59	£7	£44	£6	£38
C	£11	£68	£8	£51	£7	£44
D	£13	£76	£10	£57	£8	£49
E	£16	£93	£12	£70	£10	£60
F	£18	£110	£14	£82	£12	£71
G	£21	£127	£16	£95	£14	£82
H	£25	£152	£19	£114	£16	£99

AQUA

Scotland's tap water remains a source of national pride

Scotland's rivers and seas improve, and our communities are protected from flooding

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.

Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.

Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.

Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.

Internal Sewer Flooding:

Number of people living with the worry of internal sewer flooding **about the same as they are today (c. 430 properties)**

CHOICE

CHOICE

Balancing Supply and Demand of drinking water:

Maintain current levels of leakage and **improve** our ability to treat water and move it to the areas where it is most needed in times of dry weather in **2 areas.**

Managing rainwater:

Reduce the number of **outdoor floods** caused by sewers overloaded with rainwater from **3,000 to 2,800** by increasing the size of our sewers.

Continue to work in partnership with Local Authorities to **mitigate 10 known local flooding areas** by preventing rainwater entering sewers.

CHOICE

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

Repairing and replacing our assets: Recognise that will have to spend more money in the future:

Maintain our pipes and treatment works so that they continue to **deliver current levels of service by spending less than now and focusing more on reacting to failures**

Replace old water pipes that are vulnerable to bursts at a rate that means that **by 2033 the number of bursts could increase by 25%** compared to today. About **6,000 properties** could be affected by interruptions to their water supply **about 6 times per year**.

CHOICE

Scenario AQUA:

Slide 9b

What an increase could look like on your bills between 2027 and 2033

Example: Council Band A (no discount)

- Households would pay on average **£18** more than they did the year before, every year between 2027 and 2033
- By 2033, households would be paying **£107** more per year, than they did in 2027

The increases below are based in 'real terms'. They are presented in terms of value of money today, as we don't know what will happen with future inflation.

Council Tax Band	No Discount		Single Person 25% Discount		Full Discount 35%	
	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027
A	£18	£107	£13	£80	£12	£69
B	£21	£124	£16	£93	£13	£81
C	£24	£142	£18	£107	£15	£92
D	£27	£160	£20	£120	£17	£104
E	£33	£195	£24	£146	£21	£127
F	£38	£231	£29	£173	£25	£150
G	£44	£266	£33	£200	£29	£173
H	£53	£320	£40	£240	£35	£208

COBALT

Scotland's tap water remains a source of national pride

Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.

Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.

Balancing Supply and Demand of drinking water

Reduce levels of leakage and **improve** our ability to treat water and move it to the areas where it is most needed in times of dry weather in **7 areas.**

Modernise water treatment works which are coming to the end of their lives – serving around **900k customers**.

CHOICE

Scotland's rivers and seas improve, and our communities are protected from flooding

Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.

Internal Sewer Flooding

Number of people living with the worry of internal sewer flooding **will reduce (from c.430 to c. 315 properties)**

CHOICE

Managing rainwater

Reduce the number of outdoor floods caused by sewers overloaded with rainwater **from 3,000 to 2,800** by increasing the size of our sewers.

Prevent rainwater from entering sewers, by extending partnerships with Local Authorities to deliver **projects at city scale** that help communities adapt to climate change using nature-based solutions, starting in **Edinburgh, Glasgow and Dundee – reducing the flooding risk for up to 200,000 customers**.

CHOICE

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

Repairing and replacing our assets:

Maintain our pipes and treatment works so that they **continue to deliver current levels of service** by **spending the same as now**

Replace old water pipes that are now at the end of their life at a rate that means that **by 2033 the number of bursts could stay the same as today.** About **4,800** properties could be affected by interruptions to their water supply about **6 times per year.**

CHOICE

Scenario COBALT:
What an increase could look like on your bills between 2027 and 2033

Example: Council Band A (no discount)
- Households would pay on average **£31** more than they did the year before, every year between 2027 and 2033
- By 2033, households would be paying **£184** more per year, than they did in 2027

The increases below are based in 'real terms'. They are presented in terms of value of money today, as we don't know what will happen with future inflation.

Council Tax Band	No Discount		Single Person 25% Discount		Full Discount 35%	
	Average annual increase	**In 2033 households would be paying this amount more per year, then they did in 2027**	Average annual increase	**In 2033 households would be paying this amount more per year, then they did in 2027**	Average annual increase	**In 2033 households would be paying this amount more per year, then they did in 2027**
A	£31	£184	£23	£138	£20	£120
B	£36	£215	£27	£161	£23	£140
C	£41	£246	£31	£184	£27	£160
D	£46	£276	£35	£207	£30	£180
E	£56	£338	£42	£253	£37	£219
F	£66	£399	£50	£299	£43	£259
G	£77	£460	£58	£345	£50	£299
H	£92	£552	£69	£414	£60	£359

2.5 Research Sample

127 Scottish Water customers were engaged during the research study. A breakdown of the research sample by activity is provided below. The findings are based on this qualitative sample of 127 customers and are not statistically representative of the wider population.

Table 1: Face to face workshop sample. 68 in total across 2 workshops. At each event 28 current bill payers and 6 future customers

Face to Face Household Community Workshops (68 Voices)				
Location	Bill Payers	Future	SEG	Customers in Vulnerable Circumstances
Edinburgh	28	6	18 x ABC1 10 x C2DE	5 x Low Income 6 x Medically Vulnerable
Aberdeen	28	6	20 x ABC1 8 x C2DE	7 x Low Income 7 x Medically Vulnerable

Table 2: Reconvened online group sample. 13 customers in total

Reconvened Online Groups (13 Voices)			
Location	Bill Payers	Future	SEG
Remote/Rural	8	5	5 x ABC1 3 x C2DE

Table 3: Customers in Vulnerable Circumstances depth sample. 6 customers in total

Depths with Customer in Vulnerable Circumstances (6 Voices)	
Water Dependent	3
Financially Vulnerable	3

Table 4: Non-household online groups and depths sample. 26 customers in total

NHH Online Groups and Depths (26 Voices)		
Size	Industry	Bill Size
Large	Agriculture, Hospitality, Health, Consultancy and Innovation	£4,000 per month to £6,000 per month
SME	Retail, manufacturing, hospitality, health, entertainment, beauty, tourism, transport, finance	£47 per month to £2,000 per month

Table 5: Intergenerational online groups sample. 6 customers in total

Intergenerational Online Groups (6 Voices)	
Group 1	Urban/Suburban, ABC1 (Grandad, Mum, 20 year old daughter)
Group 2	Remote/Rural, C2DE (Grandad, Mum, 20 year old daughter)

Table 6: Water only customer depths sample. 8 customers in total

Depths with Water Only Customers (8 Voices)		
SEG	2 x AB 2 x C1 2 X C2	All living in village or rural areas with septic tank
NHH		Small businesses with water only supply

Copies of the recruitment questionnaires are shown in the appendices. These include the definition used to define urban, suburban, rural and remote.

2.6 Sample Coverage

The methodology and sample design were put together to ensure good geographical coverage across the Scottish Water area in addition to a spread of council tax bands for (household customers) and bill sizes (non-household).

Due to inherent limitations of qualitative research, the approach is not fully nationally representative. However, recruitment also ensured coverage of urban, suburban, rural and remote areas as shown in the map below. It is worth noting some clustering in Aberdeen and Edinburgh areas; these were the locations of the in-person workshops.

Figure 6: Map showing geographical spread of research participants

2.7 Qualitative Analysis

It was crucial that the testing and analysis process was consistent and rigorous across all groups involved in the study. Given that high-level investment and charging structures were examined it was essential that we maintained a structured analysis process for 127 different customers. The diversity of participants, their experiences, and their perspectives meant that a consistent approach was vital to ensure the integrity and validity of the research findings.

To achieve this, a rigorous analytical framework was adopted that ensured all participants were subject to the same process. This consistency was key to ensuring that insights gathered from each group were comparable and fairly weighted. Without a structured approach, there was a risk that some participants may inadvertently be given disproportionate weight based on factors such as their memorability or the specificity of their experiences, rather than the broader relevance of their input to the overall customer base.

The following analysis and charting process was undertaken:

- The analysis spreadsheet was completed immediately after each group from initial notes:
  - content and responses to the key questions were mapped
  - real time spreadsheets allowed all moderating team members to review and discuss emerging themes
- Transcribed audio files ensured verbatims could be easily included
- Moderating team read through transcripts
  - and updated analysis spreadsheet with quotes from transcripts
- Once all groups were completed, the moderating team reviewed the analysis spreadsheet to:
  - undertake thematic analysis
  - compare different sub groups and look for similarities/differences
  - explore where insights are the same/different from previous qualitative research.

2.8 Project Materials

Project materials including in this report can be found in:

- Appendix A: Recruitment questionnaires
- Appendix B: Homework content
- Appendix C: Webinar slides
- Appendix D: Topic guides
- Appendix E: Stimulus deck

3 Segment Observations

3.1 Introduction

This section focuses on the following segments:

- Urban and suburban bill paying customers
- Rural and remote bill paying customers
- Water only bill paying customers
- Future customers
- Intergenerational families (mix of future and current bill payers)
- Customer in vulnerable situations (bill paying customers)
- Non household customers.

Individual segment chapters have been developed to provide detailed insights into customer perspectives. These chapters focus on:

- **Overall observations**, capturing key themes and trends emerging from the discussions.

- **Spontaneous short- and long-term priorities**, reflecting participants' immediate concerns and future expectations.

- **Reactions to different scenarios tested**, providing insight into how customers perceive and respond to the three different choice scenarios and associated bill impacts.

Each chapter is heavily supported with direct customer quotes, ensuring that findings are well-evidenced and reflective of actual participant viewpoints. However, the analysis reveals very few differences between customer segments. This suggests that belonging to a particular sample group (e.g., urban, rural, future, or business customer) does not strongly influence responses in this context.

The lack of variation is likely due to the abstract nature of the scenarios tested. Many of the proposed investments do not currently impact customers' day-to-day lives, primarily because the existing water and wastewater services are perceived as reliable.

For example:

- Responses to sewer flooding scenarios were not typically based on personal experience but rather on how participants imagined the impact of such an event.

- Attitudes toward these investments were influenced more by individual perceptions of risk, altruism, and reaction to data (e.g., Scottish Water's figure of 430 affected properties) rather than by demographic or geographic factors.

As this is a qualitative study, it is important to note that some segments will have low participant numbers. While the findings will offer valuable depth and context, they should not be interpreted as representative of the wider population. Instead, they provide rich, exploratory insights into customer perspectives.

Overall, there was a high level of consistency in views across the different customer segments. While individual perspectives varied slightly, the core themes and priorities remained largely aligned. Any notable differences in responses between segments have been highlighted within each relevant section, ensuring that variations in opinion are clearly documented.

Considerations for Any Follow-Up Quantitative Research

To further refine insights in a future quantitative phase, it may be valuable to introduce an "experience question". This would help differentiate between:

- Customers who have direct, personal experience of an issue and whose views are shaped by real-world encounters.
- Customers for whom these issues are currently abstract or hypothetical, but who may still have a valid perspective due to concerns about potential future risks.

This approach would allow for deeper segmentation analysis, enabling a clearer understanding of how experience influences customer attitudes.

3.2 Urban and Suburban Bill Paying Customers

Overall Observations

A cross representation of bill paying customers, living in urban and suburban areas, were included within the face-to-face workshops in Aberdeen and Edinburgh. The sample included a spread of ABC1 and C2DE customers and a range of council tax bands which are referenced below for information only. **Note:** the qualitative nature of the exercise and that results cannot be attributed to council tax band level.

Table 7: Spread of household council tax bands

Council Tax Band	Total
A	8%
B	12%
C	14%
D	21%
E	12%
F	12%

G	9%
H	0
D/K	12%

Baseline satisfaction across the groups was good with customers talking positively about the quality and freshness of water in Scotland, the consistency of supply and how the overall water service experience was superior to England. Scottish Water were felt to be a trusted, safe and reliable company and the public ownership model was reassuring given the English water company performance.

"Cost is way more than fair - my sister lives in Manchester so you see her, she has to pay her. I don't really know exactly how it works but it's definitely more than that"
Urban/Suburban, HH, Aberdeen

"I mean, it is 100% more better than the water in England. I wouldn't drink the water there"
Urban/Suburban, HH, Aberdeen

"I can't wait to get home from holiday to drink it"
Urban/Suburban, HH, Edinburgh

"The main word I'd associate with Scottish water is trustworthy. In the years of having my own place I've never had an issue to deal with and no news in this aspect, is certainly good news"
Urban/Suburban, HH, Aberdeen

There was a discussion Scottish Water invisibility and customers being distanced from the company with no direct relationship due to the council tax charging process but, apart from this reducing the level of water conscious behaviours, this was not considered a problem.

"Scottish Water is invisible and I don't have to think about it……I like invisible – invisible is good"
Urban/Suburban, HH, Edinburgh

As with other customer groups, there was a tendency to focus on the clean water side of Scottish Water business and anchor the positivity in the quality and supply of the running water. However, there was interest in Scottish Water's performance of usage of Combined Sewer Overflows (CSO's) with an acknowledgement that whilst English water companies' performance is poor, at least there is transparency around the monitoring and reporting.

"Unlike in England and Wales where nearly 100% of Combined Sewer Overflows (CSOs) are monitored, in Scotland under 4% of overflows are required to be monitored. This means the Scottish public are in the dark about the performance of the other 96% of overflows."
Urban/Suburban, HH, Edinburgh

Spontaneous Requirements

Short term priorities

Before reviewing the potential high level investment scenarios, our bill paying urban and suburban customers were asked to think about what was important to them from a water and waste water perspective and where they wanted Scottish Water to focus their short-term plans. They were asked to consider what was basic/expected, what would be nice for Scottish Water to do but not essential and what would be the 'icing on the cake'. The themes are consistent across the different customer types with water quality, asset maintenance, supply of water, waste water and flooding and cost emerging as the basic expectations. These insights are shown in Tables 8, 9 and 10 below.

Table 8: Basic expectations for SR27

Basic Expectations for SR27				
Drinking Water Quality	Asset Maintenance	Supply of Water	Waste water / Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification	• 24/7/365 • Reliable service • Every home in Scotland	• Good waste water removal • Good drainage • Bathing/river water quality • Stop releasing pollution	• Keep low • Affordable • Tariffs for CIVS
"Ensure consistent delivery of clean, safe drinking water to all households and businesses without interruption"	*"Maintain infrastructure to prevent leaks, bursts, and other service disruptions"*	*"Clean water in constant supply running through our taps"*	*"Provide reliable wastewater management services to prevent contamination or environmental harm"*	*"Deliver fresh water and keep bills down as part of council tax"*

Table 9: 'Nice to Do' expectations for SR27

'Nice to Do' Expectations for SR27			
Communications and Accountability	Water conservation	Environment	Disruption
• Easy to contact • Respond quickly • Level of performance on CSO • Compensation for disruptions	• Measure usage • Install SMART meters • Share 'average' information/trends • Share ways to reduce usage • Introduce sustainable strategy	• Reduce emissions • Challenging targets • Protect natural world	• Minimise local traffic disruption • Minimise roadworks • Coordination with other service providers
"Quick communication about any problems"	*"Maybe if usage was more measured and charged accordingly. I know this would be done on a council tax banding basis, however I feel like this is a rather broad spectrum and in a smaller household like ours, we maybe pay over what we could for our usage"*	*"It would be nice if Scottish water can become more energy efficient and maybe have electric vans"*	*"Give notice in advance of any repairs or maintenance due"*

Table 10: 'Icing on the Cake' expectations for SR27

'Icing on the Cake' Expectations for SR27		
Cost and Reward	Technology/Innovation	Community
• Incentives to reduce water • Fair rates • Rewards for using less water • Offer a price cap	• Embrace technology in all projects • App/webchat • Hydro power • Grey water recycling	• Public water taps • Educational campaigns, e.g. visitor centres • Education in schools
"Quick communication about any problems"	*"Maybe if usage was more measured and charged accordingly. I know this would be done on a council tax banding basis, however I feel like this is a rather broad spectrum and in a smaller household like ours, we maybe pay over what we could for our usage"*	*"Give notice in advance of any repairs or maintenance due"*

Longer term priorities

For the longer term, bill paying urban and suburban customers suggest that Scottish Water continue with the themes that they mentioned in the short-term exercise. There is a focus on asset maintenance and continuing to deliver the same quality of water and supply to the increasing population as well as the need to offer efficient customer service and minimise any traffic disruption when undertaking pipe replacement.

“Supplying quality water to its customers and keeping on top of its infrastructure without causing disruption.”
Urban/Suburban, HH, Edinburgh

“Ensuring responsive and effective customer support with minimal disruption to the local area, like road closures especially during emergencies.”
Urban/Suburban, HH, Aberdeen

“There is a need to strengthen infrastructure to handle climate/weather events”
Urban/Suburban, HH, Aberdeen

In line with other segment, bill paying customers talk about the need to educate the Scottish population on conscious water usage to ensure a sustainable supply. There are differing views on whether to do this via usage-based water meter charging or communication campaigns to raise awareness about ways to change usage behaviours. Broader environmental issues like resilience to climate change and controlling any waste water spills were mentioned.

“I would like to see Scottish Water invest in more education and technology that helps consumers reduce water usage”
Urban/Suburban, HH, Aberdeen

“It would be worth engaging communities on water conservation”
Urban/Suburban, HH, Aberdeen

“Also educating the public about water quality protection measures and water saving tips, promoting environmental policy among the population”
Urban/Suburban, HH, Edinburgh

The other suggestion for the longer term was for Scottish Water to be mindful of costs and make sure that bills remained affordable, and that provision was in place for those who needed support with their water charges.

“I think it's essential that the water supply is always there but going forward prices will increase its just keeping prices within reason to customers.”
Urban/Suburban, HH, Aberdeen

“Keeping a tight control of its expenditure and not paying out huge amounts to its executive board and shareholders leaving little budgets to maintain a quality service.”
Urban/Suburban, HH, Edinburgh

‘It would really be a bonus if they ensure that bills do not get too high”
Urban/Suburban, HH, Aberdeen

Response to High Level Investment Scenarios

In terms of response to the high-level investment scenarios, there were no particular differences that can be attributed to urban and suburban bill payer status. This is perhaps not surprising given that the scenarios tested focused on abstract projects and investments that did not currently impact on customers everyday lives. For example the response to sewer flooding is not based on personal experience but imagining what the impact of this would be and the response to this does not depend on whether you are an urban, rural, future, business customer but on how bad you imagine this experience to be, how altruistic you are and how you view the numbers Scottish Water provided (430 properties at risk of sewer flooding out of the Scottish Water property portfolio). The higher numbers of urban/suburban customers voting for Cobalt was largely down to a belief that the investment was necessary, that the Turquoise and Aqua plans were so poor and unacceptable and that the low baseline of water charges meant that the CPI +6.5% rise was manageable.

It is worth noting that different methodologies were undertaken for urban and suburban bill payers who were interviewed using a face-to-face methodology and the remainder of customers were interviews online. However, the themes of support for Cobalt and Aqua are the same across the different segment groups.

Summary of Response

Note that this is qualitative work and base sizes are very low and not representative of the wider Scottish Water population; voting numbers are being shown simply to highlight the strength of feeling. However, customers were asked to indicate which cost scenario and outcomes (Turquoise, Aqua or Cobalt) most closely matched their short-term needs and whether the potential bill impact was affordable or/and reasonable and these are provided below for indication only.

Voting Response[2]

- Turquoise: 0 votes
- Aqua: 7 votes
- Cobalt: 49 votes
- Undecided: 0 votes

Turquoise – CPI +2% High Level Investment Scenario

None of the urban or suburban bill payers within the qualitative sample chose the lowest scenario, Turquoise, that represented modest outcomes, a low CPI +2% investment and lowest bill impact. In line with all other segment groups, they felt that this scenario was short sighted and were surprised by the lack of forward planning. The lack of investment in core assets and reference to the doubling of bursts was shocking and the whole

[2] The findings are based on this qualitative sample and are not statistically representative of the wider population.

approach appears to be disregarding the impact that under investment has in infrastructure and service levels.

"I'm quite surprised by this and it feels like we would be going backwards."
Urban/Suburban, HH, Edinburgh

"Yeah, I thought last one was an unacceptable level. So this one is extra bad!."
Urban/Suburban, HH, Edinburgh

"Whereas this appears to be, like you said, properly kicking the can down the road, and it's going to mean, as Liam said, prices are just going to go whack. Like significantly, because all of a sudden we've got 12,000 properties with significant flooding issues, increased water issues, more water, more drought, whatever it is."
Urban/Suburban, HH, Edinburgh

Aqua – CPI +4% High Level Investment Scenario

There were a number of reasons why the urban and suburban bill payers rejected the Aqua scenario, but it was mainly about the lack of progression and weak outcomes. The same criticisms of Aqua were seen across different sample groups but the urban and suburban bill payers seemed to accept the overall cost increase/higher outcomes of Cobalt and felt that delivered better overall value than the CPI +4%/lower outcomes Aqua scenario.

Reasons for lower support of Aqua:

- Spending less than now on asset maintenance
- Bursts will increase by 25%
- No reduction in internal sewer flooding which is miserable for those in that situation
- Changes are marginal so feel like they will have limited impact
- Fear that the 'can is being kicked down the road'
- Need for more positive progress e.g. some progress on leakage
- Those who did not trust the local authorities were not convinced about working in partnership with local authorities.

"These are marginal gains, I think they should be negative, because if you're just bubbling along without recognising aging assets, maintaining what's already there, you're going to get a bigger shock down the line. To have a 25% increase based on status quo, so then you're going to have to deal with that at some point
Urban/Suburban, HH, Edinburgh

"I think I'd recognise there's a lot of other priorities, but I just feel in this day and age, nobody should have a worry about internal surge in the modern world, and Scottish Water should do something about that. I agree it's a right thing to do.
Urban/Suburban, HH, Edinburgh

"Well, I just think with climate change, it's going to get worse every year, every month, every year. This is going to continue to be a growing problem, so we have to, like, stay on top of that."
Urban/Suburban, HH, Edinburgh

"It just doesn't feel like it would answer the things they talked about in the webinar."
Urban/Suburban, HH, Aberdeen

Cobalt – CPI +6.5% High Level Investment Scenario

There was support for Cobalt in the urban and suburban bill payer sessions and there seemed to be a greater recognition that by putting the investment off, there would be higher costs further down the line. It was endorsed, albeit reluctantly as the associated cost was higher. However, even though no one wanted to see bills increase, there was a sense that there was a greater justification in the cost increase because the outcomes were bolder and the overall package felt more tangible, ambitious and progressive.

Reasons for higher support of Cobalt:

- Higher investment in asset maintenance which was a key area of concern
- Ensuring that bursts did not increase
- Small improvements in internal sewer flooding which felt that Scottish Water recognised the severity of this issue and understood that some progress needed to be made
- Feels more progressive and action focused
- Language talked about reducing leakage
- Starting projects in larger cities felt to be sensible as this was where the population is denser
- Feels like it protects citizens/communities in the longer term
- Preventing any ongoing environmental damage
- Introduction of treatment works for 900K customers feels tangible.

"Probably feel you're getting more bang for your buck with this option because although I assume the price is going to be increased on the next page, this all seems necessary, seems more proactive. It seems more like they're taking the initiative"
Urban/Suburban, HH, Edinburgh

"But in the context of the other stuff that's going to happen as a result of it, it feels like a cost that we'd be willing to bear"
Urban/Suburban, HH, Edinburgh

"It's much better. Well, they're all improved targets."
Urban/Suburban, HH, Aberdeen

"It feels like it's a lot more proactive rather than reactive. And like I said before, the cost is probably higher in the shorter term, but in the longer term, it does work out cheaper"
Urban/Suburban, HH, Aberdeen

"Fact being, there's a massive improvement in deliverables that are so long-term. You know, I mean, from everything that we've got on the webinar, I mean, the stuff's 60% of your life span. You're not doing that for 50 quid."
Urban/Suburban, HH, Aberdeen

3.3 Rural and Remote Bill Paying Customers

Overall Observations

Remote and rural bill payers lived in parts of Scotland that were typically less accessible. While they spoke about some broader challenges of living in these areas (such poor public transport options), they did not raise any specific concerns about their water supply or wastewater services, and their baseline perceptions of Scottish Water were generally positive. Those who had experienced any service interruptions in the past felt that Scottish Water had dealt with things appropriately and efficiently.

"I have never had a problem with Scottish Water, our monthly payments are relatively low, our water supply has never ceased or been interrupted, which I consider quite miraculous."
Remote/Rural Bill Payer

"All my previous needs have been met, apart from one or two occasions I've had a steady water supply and when there's been a disruption it has been fixed in a matter of hours"
Remote/Rural Bill Payer

Customers living in these areas sometimes felt that their villages and small towns were forgotten by both Scottish and UK Governments for infrastructure investment and examples of this were lack of investment in broadband facilities and signal connectivity and poor transport links e.g. one bus per hour or nothing on Sunday. There were some concerns that they can easily feel cut off and this was mentioned in relation to local, general flooding where villages could find themselves isolated and it was felt that, if there were problems with utilities, then it would take longer to fix the issues as they were some distance from central areas.
Within this context, they were pleasantly surprised by how quickly Scottish Water had resolved any issues with water disruption.

"After storm Arwen we were without power for fourteen days and struggling for water at times but SW provided all the surrounding villages with pallets of bottled water free to all to collect."
Remote/Rural Bill Payer

"And then they fixed whatever it was, I think it was a burst or something I mean pipe in the dollar. They fixed it pretty quickly, and had they not fixed it. They were still supplying us with water, so we weren't cut off. So that was pretty impressive."
Remote/Rural Bill Payer

Other issues with remote and rural living related to limited general shopping facilities, a lack of safe pathways for walkers and cyclists and, in the areas that were rural/semi-rural rather than remote, there was a noticeable increase in building and new developments. In terms of the latter issue, it was recognised that this could impact on service providers like Scottish Water, who would need to plan for an increase in houses that would be connected to the network and people using water facilities.

Overall customers living in remote and rural areas felt that the emotional benefits outweighed any practical negatives as they were surrounded by nature, beautiful green spaces and hills and a stronger sense of community than in urban areas. There was a sense that the slower pace of life was welcomed and an enhanced feeling of safety and, despite being far away, utilities were quick to communicate with them.

One key area of concern raised by those who living in remote coastal areas that related to Scottish Water was the quality of the water in the sea. Whilst this did not appear to be at the same level of concern as expressed by participants during customer engagement in England and Wales for the most recent business plan development, it was raised as an emerging area of concern among a few of the remote and rural sample as well as those living in urban coastal areas.

Spontaneous Requirements for SR27

Short term priorities

Before reviewing the potential high level investment scenarios, our remote and rural customers were asked to think about what was important to them from a water and waste water perspective and where they wanted Scottish Water to focus their short-term plans. They were asked to consider what was basic/expected, what would be nice for Scottish Water to do but not essential and what would be the 'icing on the cake'. Insights are the same as other bill payers but there was an emphasis on making sure investment was fair and did not just focus on urban, city areas with the densest populations. These insights are shown in Tables 11, 12 and 13 below.

Table 11: Basic expectations for SR27

Basic Expectations for SR27				
Drinking Water Quality	Asset Maintenance	Supply of Water	Waste water / Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification	• 24/7/365 • Reliable service • Every home in Scotland	• Good waste water removal • Good drainage • Bathing/river water quality • Stop releasing pollution	• Keep low • Affordable • Tariffs for customers in vulnerable situations
"A good supply of water and efficient waste water treatment"	*"I also expect there to be enough engineers available and trained to deal with issues promptly"*	*"I expect them to provide clean water to all that need it in Scotland"*	*"Provide effective and clean sewerage discharge and look after the reservoirs"*	*"No massive increases given the amount people are struggling with regarding the cost of living. I expect them to provide financial support for water bills for those that need it"*

Table 12: 'Nice to Do' expectations for SR27

'Nice to Do' Expectations for SR27			
Communications and Accountability	Water conservation	Environment	Disruption
• Easy to contact • Respond quickly • Level of performance on CSO • Compensation for disruptions	• Measure usage • Install SMART meters • Share 'average' information/trends • Share ways to reduce usage • Introduce sustainable strategy	• Reduce emissions • Challenging targets • Protect natural world	• Minimise local traffic disruption • Minimise roadworks • Coordination with other service providers
"Providing more transparency about the water supply's source and the environmental footprints of their operations would also be valuable. Initiatives like community engagement projects, educations programs on water usage and conservation"	*"A record where you can check payments, a rewards scheme if you're up to date each month"*	*"Look after the environment, with public access to reservoirs"*	*"Nice to have would be ensuring minimal impact to wildlife and natural environment. There are A LOT of works around me for Scottish Water at the moment and I see a lot of land being carved up and I wonder what impact this has"*

Table 13: 'Icing on the Cake' expectations for SR27

'Icing on the Cake' Expectations for SR27		
Cost and Reward	Technology/Innovation	Community
• Incentives to reduce water • Fair rates • Rewards for using less water • Offer a price cap	• Embrace technology in all projects • App/webchat • Hydro power • Grey water recycling	• Public water taps • Educational campaigns, e.g. visitor centres • Education in schools
"Creating a customer loyalty programme that rewards sustainable water practices or offering smart home integration for monitoring water consumption"	*"Introduce solutions to address climate change, such as utilizing renewable energy sources for water treatment or implementing cutting edge technology for water recycling and waste management"*	*"If they had more public water taps of visitor centres"*

Long term priorities

As with other segments, the longer-term priorities tend to mirror the short-term expectations. They mention Scottish Water working to reduce wastage, provide greater environmental protection, reduce combined sewer overflows, and balance the supply and demand needs.

"Growing public awareness and demand for sustainable practices, such as reducing plastic pollution, limiting combined sewer overflows, and restoring natural water ecosystems"

Remote/Rural Bill Payer

"I suppose they have to consider their carbon footprint and keeping with the aims of the Scottish Government carbon neutral targets and if they are going to switch all their vehicles electric"
Remote/Rural Bill Payer

There is also a desire to see Scottish Water maintain assets in the longer term to ensure the water quality remains high to ensure that Scottish water quality does not decline in the same way they have seen in England.

"When friends of ours come up to Aberdeen from Leeds, the first thing they want is a glass of 'Council Juice'. The notion of having quality water from your tap is something that we take for granted but I'm delighted that we do... and quite frankly, sad that the rest of the UK don't."
Remote/Rural Bill Payer

As with other segments, remote and rural customers feel that part of the long-term focus should be on water conservation to ensure that water is used efficiently and for there to be a more dynamic way of pricing for usage. It was felt that this could help to keep costs down for some households although it was recognised that metered charging and usage would not suit everyone.

"I would expect Scottish water to focus on the pricing of their services, finding a more reasonable / dynamic way of pricing for usage. I expect this wouldn't be well received by larger households but it's something I believe should be implemented as it would match other utilities."
Remote/Rural Bill Payer

Response to High Level Investment Scenarios

In terms of response to the high-level investment scenarios, there were no particular differences emerging that were specific to remote and rural customers. They accepted that investment would be spread across the network but did not want investment to be unfairly distributed at the expense of forgetting about remote and rural areas. When evaluating the different high level investment scenarios, all customers welcomed investment that future proofed the network and minimised any future service disruptions but there was some disquiet amongst remote and rural customers about high bill increases.

Summary of Response

Note that this is qualitative work and base sizes are very low and not representative of the wider Scottish Water population. However, customers were asked to indicate which cost scenario and outcomes (Turquoise, Aqua or Cobalt) most closely matched their short-term needs and whether the potential bill impact was affordable or/and reasonable, and these are provided below for indication only.

Voting Response[3]

- Turquoise: 0 votes
- Aqua: 6 votes
- Cobalt : 0 votes
- Undecided: 2 votes

Turquoise – CPI +2% High Level Investment Scenario

None of the remote and rural customers within the qualitative sample chose the lowest scenario, Turquoise, that represented modest outcomes, a low CPI +2% investment and lowest bill impact. In line with all other segment groups, they felt that this scenario was short sighted and were surprised by the lack of forward planning. There was a sense that living in remote and rural areas meant that they might be more vulnerable to bursts or the impact of bursts.

"It's not doing things slower. It's not doing anything at all."
Remote/Rural Bill Payer

"Yeah, I would disregard turquoise. I just feel like you're paying, even though it's minimum. And you're paying something for nothing"
Remote/Rural Bill Payer

I suppose, for the purpose of the exercise this one comes in last place for me. I'd rather spend a little bit more, with something like Aqua to get a little bit more out of it. It's not a good plan"
Remote/Rural Bill Payer

Aqua – CPI +4% High Level Investment Scenario

Remote and rural bill payers very reluctantly endorsed the Aqua scenario which was presented as a CPI +4% bill impact for the suggested outcomes. This was not because they were comfortable with the outcomes, but they did not feel they could accept or afford the higher bill impact. They were also very uncomfortable with the focus that Cobalt appeared to give to the central cities of Dundee, Glasgow and Edinburgh.

The reasons for supporting Aqua are not positive reasons and, as the quotes below highlight, this scenario was very reluctantly endorsed:

- Lower cost than Cobalt but it was not felt to be good value for money as the outcomes were so poor
- Internal sewer flooding was not increasing but there was still significant discomfort with the status quo
- Maintaining leakage was welcomed as they do not want performance to decrease as any leakage is seen as wastage
- Working with local authorities to reduce flooding was welcomed

[3] The findings are based on this qualitative sample and are not statistically representative of the wider population.

- Reduced spending on pipes and treatment works was viewed negatively and any increases in bursts was not welcomed - 25% was felt to be high

"No, I definitely agree with the group. Certainly, looking at this proposed plan. It's nothing earth shattering. It's nothing that wows us or provides us with any reassurance. It seems like they're just pardon the pun treading water"
Remote/Rural Bill Payer

"I can't say it fills me with warm and fuzzy feelings. To be honest.....but I guess I would have to vote for this but I'm not happy about it"
Remote/Rural Bill Payer

"It's not exactly the most inspiring pitch, I think. If this was Dragon's den, you wouldn't see anyone jumping to quickly invest again. I know you said you're going to talk about the costs later. I get the impression that this would be one where they would try and entice us by possibly saying it would be marginally cheaper."
Remote/Rural Bill Payer

"The internal sewer flooding the fact that they're keeping it the same. It's not increasing, I suppose, is kind of a bittersweet positive."
Remote/Rural Bill Payer

"The whole repairing and placing the assets just seems like one step forward and about 17 steps back."
Remote/Rural Bill Payer

"Internal sewer flooding basically doing nothing about it is it's disgraceful, and it's irresponsible. I'm surprised that they're not at risk at being sued"
Remote/Rural Bill Payer

"That that seems fairly excessive for such a frankly useless plan to be paid."
Remote/Rural Bill Payer

Cobalt – CPI +6.5% High Level Investment Scenario

None of the remote or rural bill payers endorsed[4] Cobalt as the CPI +6.5% bill impact was felt to be high and when projecting forward into the longer term this was not felt to be manageable. It was felt to deliver better outcomes than Aqua, but it was not enough to justify the significant price increase and the fact that it did not mention any of the rural or remote areas north of Aberdeen was unwelcome.

"We need to kind of manage our expectations about what can actually be done in a fairly short amount of time, for you know, company that large, and I think, without like doubling your bill. This is probably the most realistic we're going to get."
Remote/Rural Bill Payer

[4] The term "endorsed" has been used as an overarching summary of customers' views. This reflects the extended nature of the research process, during which participants were given the time and space to build their understanding of the water sector and the challenges faced by Scottish Water

"I'm looking at and saying, well, yeah, that's an improvement. But it's an improvement on something that didn't really seem great in the first place. So I'm finding it quite difficult to come up with an assessment for this. I think it's going to be very much dependent on what the increase looks like in terms of price now"

Remote/Rural Bill Payer

"Bigger increase. But to be fair, it looks like they're going to be doing the stuff that they need to do on a selfish note. I'm upset. They didn't mention Aberdeen, you know. They kind of got to the Tay, and then thought we kind of go much further north than that."

Remote/Rural Bill Payer

"It's going to be a very hard sell to people that will go down very badly. I don't think that's actually realistic to put onto people"

Remote/Rural Bill Payer

"To be honest, I think all of the offerings are pretty disappointing. I feel like cobalt would obviously be the ideal scenario, but I think for the price. It's just astronomical, like I just, I'm in a bit of disbelief that to do those things it would cost that much like just to put into perspective, my water would be 80 pounds a month in 2033, whereas my current gas and electric is less than 75 pounds a month."

Remote/Rural Bill Payer

3.4 Water Only Bill Paying Customers

Overall Observations

There were 8 water only bill paying customers in the qualitative sample. They lived in remote areas of Scotland including Aberdeenshire, the Borders, Western areas and Highlands and Islands. They all either had communal septic tanks shared with neighbours or individual septic tanks on their properties that were emptied periodically by Scottish Water and other providers.

They understood that Scottish Water provided the clean water supply to their homes and, despite the remote nature of the properties, customers were positive about the service, very good quality of the water and consistency of supply. One of the customers on Orkney felt Scottish Water were very visible within the community and had seen them transporting water in the past, topping up reservoirs, emptying septic tanks and trying to keep the pipework in good order.

"Good customer service. I've had to phone once or twice, and they were really, really friendly on the phone."
Water Only Customer

"I don't know very much, I did not know they were owned by people but I probably would have said that they had the best quality water in the world."
Water Only Customer

"The water is fantastic and gets tested every week or so, sometimes twice, some stations locally they have to drive 20-30 miles to do so."
Water Only Customer

"I've very rarely ever had problems with them, so they're very reliable."
Water Only Customer

"Water here could be bottled and sold"
Water Only Customer

Water Only bill payers accept that part of their clean water bill will be spent on wastewater services across Scotland and were not surprised by this. They seem to see the bigger picture, sense that the whole network is connected and recognise that they are part of a service provider who have a responsibility to provide a range of services across Scotland. Spontaneously, there is a desire to address any waste water related issues with CSOs and therefore the wastewater side of the business is relevant to them. In addition, the idea that the communal bill revenue might get distributed to include supporting customers in difficult situations was spontaneously mentioned.

"It would be nicer if it was more spend on water because I only have the water part of it. But at the same time I'm not too fussed about it."
Water Only Customer

"It's all so circular, you know, you can't really separate it out in my mind."
Water Only Customer

"I think especially with vulnerable people and people who are getting single person discounts, full discounts having that and us paying for a service that we don't receive sort of supplements them in a way, I'm quite happy doing that"
Water Only Customer

Water Only customers shared similar challenges and benefits to remote and rural customers but generally felt positive about their home location.

Spontaneous Requirements for SR27

Short term priorities

Before reviewing the potential high level investment scenarios, Water Only customers were asked to think about what was important to them from a water and wastewater perspective and where they wanted Scottish Water to focus their short-term plans. They were asked to consider what was basic/expected, what would be nice for Scottish Water to do but not essential and what would be the 'icing on the cake'. Insights are similar to other bill payers including a focus on waste water issues as their 'Water Only' status did not mean that they dismissed waste water issues, indeed there was a request for stronger environment protections that go beyond legal obligations.

Additionally, there was a request for Scottish Water to provide fair costs for septic pumping, which was specific to their Water Only status and, given their remote locations, there was a desire to ensure that every home in Scotland should be supplied with water, regardless of location. These insights are shown in Tables 14, 15 and 16 below.

Table 14: Basic expectations for SR27

Basic Expectations for SR27				
Drinking Water Quality	Asset Maintenance	Supply of Water	Waste water / Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification	• 24/7/365 • Reliable service • Every home in Scotland regardless of rural/remote location	• Good waste water removal • Good drainage • Bathing/river water quality • Stop releasing pollution • Provide septic tank pumping at fair cost	• Keep low • Affordable • Tariffs for customers in vulnerable situations
"Provide clean and fresh water to all households in Scotland, free from bacteria and within the safe limits of chlorine and fluoride"	*"Fix public pipes in an efficient and timely manner"*	*"It's essential that they consistently provide water"*	*"A good reliable sewage service. CSO actions and sewage backups reduced to an absolute minimum"*	*"Provide competitive costs for emptying septic tanks"*

Table 15: 'Nice to Do' expectations for SR27

'Nice to Do' Expectations for SR27			
Communications and Accountability	Water conservation	Environment	Disruption
• Easy to contact • Respond quickly • Level of performance on CSO • Compensation for disruptions	• Measure usage • Install SMART meters • Share 'average' information/trends • Share ways to reduce usage • Introduce sustainable strategy	• Reduce emissions • Challenging targets • Protect natural world	• Minimise local traffic disruption • Minimise roadworks • Coordination with other service providers
"It would be nice to be personally notified prior to any works being carried out in the area which may affect the water supply"	*"Maybe have reduced rates for water within council tax for people who have a disability that makes them consume more water than the average person"*	*"Active habitat creation, e.g. new reservoirs to be built to increase their change of attracting wild birds"*	*"Ensure rapid maintenance works (part of my route to work was worked on for 6 weeks)"*

Table 16: 'Icing on the Cake' expectations for SR27

'Icing on the Cake' Expectations for SR27		
Cost and Reward	Technology/Innovation	Community
• Incentives to reduce water • Fair rates • Rewards for using less water • Offer a price cap	• Embrace technology in all projects • App/webchat • Hydro power • Grey water recycling	• Public water taps • Educational campaigns, e.g. visitor centres • Education in schools • Charitable action • Community projects • Internships
"I think every new home now should have a meter"	*"We could have water power (hydro) as we have a lot of water here!"*	*"I would like to see more water fountains in public places"*

Long Term Priorities

With the Water Only bill payers, the longer-term expectations were an extension of the priorities for 2027-2033. There was a particular focus on greater environmental protections and cessation of any waste water dumping.

"Sewage in waterways due to increased rainfall – they need to improve the systems so that this doesn't happen again"
Water Only Customer

Apart from these areas, they wanted Scottish Water to focus on asset maintenance to ensure that supply was not interrupted and the good quality did not deteriorate.

"I think maintain the quality is most important. I've travelled around Asia and not being able to drink tap water makes realise how good we have it so continued supply and always having clean water"
Water Only Customer

A couple of the Water Only customers had lived in England and had experience of water companies south of the border and wanted Scottish Water to maintain their publicly owned status and customer focus.

"I just love the fact that they are not privatised, not spending huge amounts of money on performance bonuses for CEOs and payouts for shareholders while the company performance is unacceptable."
Water Only Customers

Response to High Level Investment Scenarios

In terms of response to the high-level investment scenarios, there were no particular differences emerging that were specific to Water Only customers – they recognised the need for investment across the network and also had experience of water being transported around in a way that other Scottish Water customers were less aware of. When evaluating the different high level investment scenarios, all customers welcomed investment that future proofed the network and minimised any future service disruptions.

Summary of Response

Note that this is qualitative work and base sizes are very low and not representative of the wider Scottish Water population. However, customers were asked to indicate which cost scenario and outcomes (Turquoise, Aqua or Cobalt) most closely matched their short-term needs and whether the potential bill impact was affordable or/and reasonable and these are provided below for indication only.

Voting Response[5]

- Turquoise: 0 votes
- Aqua: 1 vote
- Cobalt: 7 votes
- Undecided: 0 votes

Turquoise – CPI +2% High Level Investment Scenario

In line with other segments, Turquoise, that represented modest outcomes, a low CPI +2% investment and lowest bill impact, was not felt to be the way forward for 2027-2033. This scenario was disappointing and felt to be regressive and even though the cost increase was lower, it was not an acceptable way forward. Given the challenges, population growth and climate change, this did not feel financially sensible. It felt like these outcomes could put

[5] The findings are based on this qualitative sample and are not statistically representative of the wider population.

customers at risk of bursts and outages that might not be fixed quickly, and the lower cost impact was not 'worth the sacrifice'.

"Scottish Water should be leading by example and trying to reduce the amount of leakage they have and so I feel like that isn't acceptable…it's not worth having lower bills for"
Water Only Customer

"A prevention is better than the cure method and paying more now to fix the infrastructure so there's less spent on reacting. I feel like reacting comes with more cost"
Water Only Customer

"The bit about not upgrading the pipes and just waiting till they burst and then fixing them. I don't really agree with that."
Water Only Customer

"It's almost kind of a do nothing scenario, isn't it?"
Water Only Customer

"No! I would rather pay extra to make sure it was done properly."
Water Only Customer

Aqua – CPI +4% High Level Investment Scenario

Amongst the Water Only customers interviewed, there was limited appetite for the Aqua scenario. Although it was recognised to be better outcomes than Turquoise, it was still felt to lack ambition and be too reactive. They were looking for more proactivity and innovation, like using new technology to source water from the environment without affecting the biodiversity and eco systems.

The Aqua scenario focused on 'maintaining' service levels and, whilst this was admirable as the current service is good, it does not feel that it would future proof the network and so the cost increase was not felt to be good value for money. The fact that there was no progress on internal sewer flooding (even though this would not affect them) and the 25% increase in bursts was also a concern.

"I think a prevention method is better than sort of a reactive method"
Water Only Customer

"Sewers need to be bigger to handle it, Scotland needs whole infrastructure change as the number of people have increased over last 40-50 years, so there are many newbuilds at the moment and no-one should experience floods. Climate change adds to that especially with amount of rainwater we get here"
Water Only Customer

"It would be good to widen the sewers or make more sewers because I just can't imagine having it backing up into your house"
Water Only Customer

"I don't see any bad sides to that, and I'm happy to pay a wee bit more in my council tax for that."
Water Only Customer

"It's good that they've identified there's ten known local flooding areas and actually getting in there and maintaining it and making sure it doesn't happen would be a fantastic thing"
Water Only Customer

Cobalt – CPI +6.5% High Level Investment Scenario

The Cobalt scenario was felt to deliver better outcomes for the cost increase and therefore gave a greater sense of 'bang for the buck'. The critical part was the replacement pipe programme that ensured that the level of bursts, and associated interruptions, did not escalate. The reasons for supporting Cobalt were positive which could be a result of the lower bill cost and impact as these customers were not paying for the wastewater part of the bill to Scottish Water:

- Felt to be good value for money
- Creates positive change
- Ensures that water bursts do not increase
- Modernising water treatment works feels proactive and tangible
- There was some pushback on the city focus but this did not deter
- Projects that focus on nature based solutions were welcomed
- Reduction in leakage is positive.

"It is the best level for everything included. It's the best value for money. It's the best investment in the future as well."
Water Only Customer

"I'd say the cobalt as long as most of the investment was in the repair and replacing and the balancing supply and demand."
Water Only Customer

"I'm in favour of nature based solutions to cope with climate change. Definitely worth higher investment for me."
Water Only Customer

"It's tackling more of the issues, it improves outcomes for large numbers of people, particularly with the sewer flooding work focusing on Edinburgh, Glasgow, and Dundee. That's going to affect a large number of people. I think in the long term it's financially sensible."
Water Only Customer

"Definitely think that's better rather than water bursts increasing stays same, modernise water treatment works to almost million customers, 7 areas rather than 2."
Water Only Customer

"That is the one that is going to be reducing amount of leakage, the rest of them are maintaining the current levels of leakage"
Water Only Customer

3.5 Future Customers

Overall Observations

Future Bill Payers included students and those in work, but they were not paying any water charges as they were living in university accommodation, all all-inclusive rented accommodation or with their parents. Those living in urban areas were included within the face-to-face workshops and those living in remote and rural areas participated in an online group.

Overall, they tended to have lower awareness of Scottish Water, but some talked about seeing Scottish Water vans which elevated brand awareness. Like a significant number of Scottish Water household customers in this qualitative sample, they did not consciously think about the clean water they were using or pay any attention to the wastewater services provided. Their baseline word associations were about the water quality (clean, fresh, cold, crisp), the visible landscape (reservoirs, rivers, lochs) and they felt that Scottish Water were reliable and sustainable.

"Right now, I don't think very often about who provides our water and wastewater services, I believe because I am not paying the bills"
Future Customer

"I should probably think more about our water service but since I am a student who doesn't pay a water bill, it's a bit like out of sight out of mind. I should also think about the key workers in this industry who must work round the clock to ensure we have plenty water available"
Future Customer

They were positive about the day-to-day service received and felt that the water quality was very good and the supply was consistent over their lifetime. Where issues had been experienced, at their parent's property, these had been resolved quickly.

"I moved to Scotland in 2015 from Ireland and I would say I have never had a problem with Scottish Water and the water they do provide is the best I have had."
Future Customer

"I feel Scottish water has met my needs very well, always had clean drinking water and never had any issue with waste."
Future Customer

"Over the past few years of living here, I can confidently say that the water supply has been reliable and safe for household use. We have never experienced a day without water."
Future Customer

"I think Scottish Water have done well over this time period. I have only had a couple of issues with brown water in the kitchen at my parents' house. This was resolved within a couple of hours."
Future Customer

Future Customers value brands that align with their personal values, particularly in three key areas:

- **Environmental and Sustainable Focus:** Brands that prioritise sustainability, eco-friendly practices, and responsible sourcing resonate with Future Customers. This includes companies that actively reduce their carbon footprint, use recycled materials, or have strong commitments to green initiatives.
- **Community-Minded Approach:** Future Customers appreciate brands that give back to the community, whether through social responsibility programs, local engagement, or ethical business practices. Companies with strong ties to their communities, charitable initiatives, or support for local causes are more likely to be admired.
- **Convenience:** Ease of access, seamless digital experiences, and hassle-free services are highly valued. Brands that offer quick, efficient, and customer-friendly services—whether through technology, fast delivery, or streamlined processes—stand out.

Some specific brands mentioned are shown in Figure 7 below.

Figure 7: Brands admired by Future Customers

Spontaneous Requirements for SR27

Short term priorities

Before reviewing the potential high-level investment scenarios, Future Customers were asked to think about what was important to them from a water and wastewater perspective and where they wanted Scottish Water to focus their short-term plans. They were asked to consider what was basic/expected, what would be nice for Scottish Water to do but not essential and what would be the 'icing on the cake'.

Insights are the same as other household customers and shown in Tables 17, 18 and 19, but there was an emphasis on the categories that focus on environment and community projects that fit with the brands that they value in Figure 7.

Table 17: Basic expectations for SR27

Basic Expectations for SR27				
Drinking Water Quality	Asset Maintenance	Supply of Water	Waste water / Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification	• 24/7/365 • Reliable service • Every home in Scotland • Every university accommodation	• Good waste water removal • Good drainage • Bathing/river water quality • Stop releasing pollution	• Keep low • Affordable • Tariffs for customers in vulnerable situations
"You expect consistently clean, safe and accessible water across the country"	*"I want them to maintain and upgrade infrastructure to prevent and minimise leaks and disruptions"*	*"Ensuring that every household, including student accommodation, has uninterrupted access"*	*"I would expect Scottish Water would consistently deliver clean and safe drinking water to where I lived and that in my areas there are reliable drainage and wastewater systems that prevent any flooding or pollution"*	*"Provide tailored support for vulnerable customer to help save water and offer financial assistance"*

Table 18: 'Nice to Do' expectations for SR27

'Nice to Do' Expectations for SR27			
Communications and Accountability	Water conservation	Environment	Disruption
• Easy to contact • Respond quickly • Level of performance on CSO • Compensation for disruptions	• Measure usage • Install SMART meters • Share 'average' information/trends • Share ways to reduce usage • Introduce sustainable strategy	• Reduce emissions • Challenging targets • Protect natural world	• Minimise local traffic disruption • Minimise roadworks • Coordination with other service providers
"Good customer service open 24/7"	*"It would be helpful for Scottish Water to offer more incentives or guidance on water saving methods, especially for households looking to reduce consumption and minimise waste"*	*"It will be really nice if they can source their water without harming the nature/ wildlife"*	*"I don't drive but this is important for others"*

Table 19: 'Icing on the Cake' expectations for SR27

'Icing on the Cake' Expectations for SR27		
Cost and Reward	Technology/Innovation	Community
• Incentives to reduce water • Fair rates • Rewards for using less water • Offer a price cap	• Embrace technology in all projects • App/webchat • Hydro power • Grey water recycling	• Public water taps • Educational campaigns, e.g. visitor centres • Education in schools • Charitable action • Community projects • Internships
"Incentives or programs for households that adopt eco-friendly water systems, such as rainwater harvesting or greywater recycling, would add a unique, environmentally-conscious touch to Scottish Water's service offerings"	*"Things like use of green energy, nature conservation projects, water reusage systems"*	*"It would be exceptional to set up more water fountains in popular cities like Edinburgh. I know of one at Edinburgh West End, but people may overlook it and implement thoughtful improvements that demonstrate a strong commitment to caring for the community at large."*

Long Term Priorities

As with other segments, the longer-term priorities tend to mirror the short-term expectations. Although future customers in the sample are aware of the impact that increased costs may have on current bill payers, they tend not to focus on longer-term costs due to the fact that they are not currently responsible for paying bills themselves. In the long-term, Future Customers are looking for Scottish Water to provide a strong focus on environmental, sustainability issues and projects that control emissions, use innovation and AI to progress infrastructure and customer service and have a stronger community focus. These requirements are in line with the brands they admire.

"Emphasising renewable energy is crucial for improving operational efficiency and supporting Scotland's net-zero targets"
Future Customer

"Advancing innovation through the use of technologies like AI and other cutting-edge tools is essential."
Future Customer

As with other segments, Future Customers want to see Scottish Water commit to maintaining assets that will protect the water quality and supply in the future and a commitment to future proofing these assets in line with challenges around population growth and climate change.

"I would like them to focus on would quality and cleanliness of water, better servicing time and to do all this in a sustainable manner."
Future Customer

"Continuing their service, dealing with any issues in a timely manner and maybe fixing old and corroded pipes"
Future Customer

Future Customers feel that part of Scottish Water's long-term focus should be on water conservation and improving education around water usage. As a segment, they welcomed relevant communications from Scottish Water, for example, how to save water on a day-to-day basis.

"I think Scottish Water should be focused on conservation techniques, reliability in regard to infrastructure, and potentially flood prevention during heavy rains"
Future Customer

"I think they should be thinking about using green energy, nature conservation projects, water reuse systems"
Future Customer

Response to High Level Investment Scenarios

As non-bill payers, Future Customers were not asked to comment on water charge increases. This follows best practice learnings from across the UK water industry where it was shown that Future Customers struggled to provide meaningful responses to potential increases in water charges. The guidance for PR24 stated that the qualitative post tasks of bill impacts and quantitative testing should not be carried out with future customers (https://www.ccw.org.uk/publication/acceptability-and-affordability-guidance/). When Future Customers were shown potential bill impacts during the qualitative discussions, they found it challenging to give meaningful feedback—partly because they aren't currently paying water charges and were being asked to project several years into the future. This did not derive meaningful insight. Some Future Customers were exposed to the increase in water charges in the face to face discussions but did not participate in the part of the discussion that explored affordability. One remote Future Customer asked about potential costs, but it was clarified that, since they are not currently paying water charges, there isn't an existing charge to use as a reference point for any future increase..

In terms of response to the high-level investment scenarios, Future Customers responded in a similar way to other customers and rejected the lower Turquoise scenario. When evaluating the different scenarios, they welcomed investment that future proofed the network, addressed the challenges around population growth and climate change and minimised any future service disruptions. There were some mixed views on the speed of investment but overall, they wanted Scottish Water to invest at a level that did not negatively impact future service.

Summary of Response

Note that this is qualitative work and base sizes are very low and not representative of the wider Scottish Water population. However, customers were asked to indicate which cost scenario and outcomes (Turquoise, Aqua or Cobalt) most closely matched their short-term needs and whether the potential bill impact was affordable or/and reasonable and these are provided below for indication only.

Voting Response[6]

- Turquoise: 0 votes
- Aqua: 0 votes
- Cobalt: 16 votes
- Undecided: 1 vote (leaning towards Aqua)

Turquoise – High Level Investment Scenario (no bill impact shown)

None of the Future Customers within the qualitative sample chose the lowest scenario, Turquoise, that represented the least investment and most prudent outcomes. In line with all other segment groups, they felt that this scenario was short sighted and were surprised by the lack of forward planning. There were concerns over bursts doubling and the impact that this could have on remote and rural communities.

"This just feels A LOT worse than the last one and I feel that they need to focus on bursts more"
Future Customer

"I think comparatively, especially the repairing and replacing assets is definitely worse. I don't know why we'd be aiming to double the number of bursts. It doesn't make sense in my head really."
Future Customer

"Not good enough, they need to invest in bursts because if we have the mains burst, and it completely cut off the 2 sides and disrupts the buses. So it's like people having to walk like a mile, maybe 2 miles to get to a bus stop in the morning to get to work, and especially if it's older people. It's like they can't get any access to public transport at all"
Future Customer

Aqua – High Level Investment Scenario (no bill impact shown)

Future Customers did not favour Aqua scenario. There was nothing specific driving this decision, but overall the outcomes were felt to be too safe and slow and there were concerns that this slower approach to investment could jeopardise future service levels for them and for the wider Scottish community.

Even though they were relieved to see that Scottish Water were maintaining leakage levels and keeping the internal sewer flooding at the same level as today, they wanted to see more proactive investment in infrastructure.

"I think they're playing it safe, and they're just like kind of focusing on the priority kind of. But I don't know."
Future Customer

[6] The findings are based on this qualitative sample and are not statistically representative of the wider population.

"It feels like procrastination. In a way, it's like it feels like they're putting everything off to the future where it's like, yeah, we'll just deal with it at a later time."
Future Customer

"We'll just do it later – it feels like a big risk"
Future Customer

"I don't think it's the best idea to kind of be waiting until things are failing and then replace them. I think you know, it should be something that's getting always invested into a little at a time, so that there doesn't come a day where loads of things are failing at the one time."
Future Customer

"A lot of us are wanting to move out of Scotland, anyway. Yeah, this could be another factor for a lot of people to move out, because in other countries in Europe that their flood senses are way better, they're always improving their infrastructure, whereas here it doesn't seem to be that way"
Future Customer

"The fact that they want to maintain, like Dara said, is great, because it means that they have things in place that are working but also just leaving everything till last minute doesn't sound like it's a very proactive response to the problems that they're having right now. It doesn't sound very sustainable."
Future Customer

Cobalt – High Level Investment Scenario (no bill impact shown)

All but one of the Future Customers in this qualitative sample, endorsed the Cobalt high level investment scenario. It was recognised as the most ambitious and would ensure Scottish Water were prepared to meet future challenges that were outlined in the webinar. In line with other segments, there were concerns about the focus on major cities when investing in projects to manage rainwater.

The reasons for supporting Cobalt were as follows:

- Best outcomes across all three scenarios
- All the language was positive and focused on reducing and preventing so felt proactive and forward thinking
- Focus on reducing leakage felt good as any wastage should be minimised
- Internal sewer flooding was decreasing marginally
- Replacing pipes at a rate that meant burst would not increase.

"Yeah, I think it all sounds very positive, you know. I can tell. This is probably the one that would have the most money going into it for sure."
Future Customer

"Yeah, surprised that they'd start in the major cities because I would have thought they would have the best. You know. Sewer systems and rainwater and things already, but maybe they don't. I've just never seen flooding and things in Glasgow"
Future Customer

"It sounds like they're planning on, reducing almost everything that they've got on their list here, so I think it's good"
Future Customer

"I'm at Uni here so might not be here in the future but I think this is really important to invest in services for the future"
Future Customer

3.6 Intergenerational Sessions

Overall Observations

Two multigenerational families participated in the research, one from the Highlands and one from the West Coast of Scotland. The families engaged in open discussions within a safe, familiar environment, enabling a rich exchange of perspectives on the challenges surrounding water services and the investment needed to maintain them. This strand of the overall research programme crystalised the insight that Scottish Water need to balance customers short term needs with future sustainability of the network.

Baseline satisfaction was good and Scottish Water were felt to be reliable, responsive, have a decent reputation and good quality drinking water. Similar to other audiences, there was some mention of pollution and CSOs but they don't think about Scottish Water on a day to day basis because there are not disruptions or issues with the service.

"When I think about the last 15 years, they have completely met my needs."
Intergenerational Families

I've never really experienced many issues with Scottish water. The water quality's been kept very consistent"
Intergenerational Families

"They did a lot of work locally for a once in a 300 year Flood. And there's been significant rainfall recently, which is not a once in a 300 year rainfall"
Intergenerational Families

"I mean, I think for me I'll be honest. I'm a bit like (daughters name). The water comes out, the tap. You get your water, and we have a wee one off leak in the time all the time that we've lived here. But quite honestly, it wasn't a point of concern for me."
Intergenerational Families

Intergenerational Families Equity

Across the two families, they believed the population, climate and asset related challenges that Scottish Water outlined in the webinar were real and felt that there was a need to plan now to ensure that the network was fit for future purpose. Within this context of recognising a need to invest, the older generation, who were bill payers, initially expressed concern about any increases in water charges. They emphasised the importance of maintaining reliability, water quality, managing burst and leakage and waste water services but wanted to ensure bills were affordable as household budgets were already stretched.

"You know every penny you want to try and keep. And you want to get value for money for what you're paying for. Yeah, you might have a different opinion, because you're not paying for it as such just now…but I don't want to be paying more in the future."
Intergenerational Families

The dynamic of having different generations within the same group, culminated into a noticeable softening of views amongst the older generation. However, this was felt to be a difficult discussion with pros and cons of investing now and later as follows:

Invest Now:
- Protects younger generations (children and grandchildren) from future costs
- Protects the network
- Proactively addresses the challenges outlined in the webinar
- Might save money in the longer term

Invest Later:
- Keeps costs down and affordable
- Future is unpredictable and things might change
- There will always be another 'future generation' to worry about/or who need protecting

When the potential long-term consequences of underinvestment were framed in terms of their children and grandchildren, the older generation became more open to the idea of accepting higher costs now to ensure that future generations had access to the same high-quality services they had enjoyed. This shift was driven by a strong sense of responsibility toward their families and a desire to leave behind a better legacy but did not mean that both families opted for the highest cost scenario.

"Me and (son's name) were having a little chat about this last night, and we have very different views because he's like, yeah. But, mom, you need to think longer term. And I'm like, Yeah, but no, I'm more of a here and now person like who knows what might happen? We might just disappear into the ether, and he's like no, no, you need to make longer term plans,

Intergenerational Families

"I feel somewhat uncomfortable because I think that the younger generation going forward are going to find it very difficult financially, because I do feel that things are way more expensive than when I 1st started out, and the cost of living comparatively"

Intergenerational Families

"I don't think we should just dump it all on (daughter's name's) generation, and obviously myself as well. But I don't think that would be fair, so I do think there needs to be some investment now"

Intergenerational Families

The younger generation in both families showed less concern about water as an immediate issue. Water was something they took for granted, often perceived as a basic service that didn't warrant much attention in their daily lives. However, as the discussion evolved, there was a growing recognition of the need for investment to ensure future stability. They understood that while water might not be a priority now, it would become more critical as they started their own families or faced future challenges.

There was an implicit acknowledgment that without proper investment today, there could be disruptions or deteriorating service levels that would eventually affect them.

What emerged clearly from both groups was the importance of framing investment in terms of future generations. The older generation's focus on the well-being of their children and grandchildren was a powerful motivator for them to reconsider their stance on charges and investment. This perspective suggested that when communicating the impact of underinvestment in water infrastructure, it is essential to highlight the potential effects on future generations.

Spontaneous Requirements for SR27

Short term priorities

Before reviewing the potential high level investment scenarios, the Intergenerational Families were asked to think about what was important to them from a water and wastewater perspective and where they wanted Scottish Water to focus their short-term plans. They were asked to consider what was basic/expected, what would be nice for Scottish Water to do but not essential and what would be the 'icing on the cake'. Insights are similar to other customer groups and outlined in Tables 20, 21, and 22 below:

Table 20: Basic expectations for SR27

Basic Expectations for SR27				
Drinking Water Quality	Asset Maintenance	Supply of Water	Waste water / Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification	• 24/7/365 • Reliable service • Every home in Scotland	• Good waste water removal • Good drainage • Bathing/river water quality • Stop releasing pollution	• Keep low • Affordable • Tariffs for customers in vulnerable situations
"To maintain my mains water supply to my house with no on interruptions, with good quality water"	*"Excellent standards of supply and monitoring network across all services and supplies"*		*"A good reliable sewage service. CSO actions and sewage back-ups reduced to an absolute minimum."*	*"Deliver fresh water and keep bills down as part of council tax."*

Table 21: 'Nice to Do' expectations for SR27

'Nice to Do' Expectations for SR27			
Communications and Accountability	Water conservation	Environment	Disruption
• Easy to contact • Respond quickly • Level of performance on CSO • Compensation for disruptions	• Measure usage • Install SMART meters • Share 'average' information/trends • Share ways to reduce usage • Introduce sustainable strategy	• Reduce emissions • Challenging targets • Protect natural world	• Minimise local traffic disruption • Minimise roadworks • Coordination with other service providers
"Evidence regarding the quality of the water."	*"I would like them to look at the billing – not sure about meters but a fairer way and to control usage"*	*"Zero pollution"*	

Table 22: 'Icing on the Cake' expectations for SR27

'Icing on the Cake' Expectations for SR27		
Cost and Reward	Technology/Innovation	Community
• Incentives to reduce water • Fair rates • Rewards for using less water • Offer a price cap	• Embrace technology in all projects • App/webchat • Hydro power • Grey water recycling	• Public water taps • Educational campaigns, e.g. visitor centres • Education in schools • Charitable action • Community projects • Internships
"I don't use as much water as other households in my council tax band so something that recognises that"	*"I don't know enough about it but I think they need to use any new technology"*	*"It does feel like there does need to be a wealth of education around that, because I think just in general in life, people always think, well, I'm not the problem."*

Long term priorities

Intergenerational Families talked about the need to maintain service in the longer term and invest in assets and commit to improving environmental pollution.

"For the next 15 years, I would say strive to eliminate raw sewage pollution. Fix leaks within 24/48 hours. excellent drinking water standards"
Intergenerational Families

"Resolve issues quickly"
Intergenerational Families

"Scottish Water must acknowledge and adapt infrastructure to be more resilient with future challenges to water resources including flooding, increased water usage and water quality"
Intergenerational Families

There was also a requirement for Scottish Water to embrace new technology and be forward thinking and engage with communities to help educate what good water usage looks like to ensure future sustainability.

"I think it's imperative to involve the communities which Scottish water supply in order to tackle future challenges and by involving and strengthening relationships with local communities this can only help to educate and develop sustainable solutions and a sense of responsibility"

Intergenerational Families

Response to High Level Investment Scenarios

In terms of response to the high-level investment scenarios, there were no particular differences emerging that were specific to the Intergenerational Families – they recognised the need for investment across the network. All welcomed investment that future proofed the network and minimised any future service disruptions.

Summary of Response

Note that this is qualitative work and base sizes are very low and not representative of the wider Scottish Water population. However, customers were asked to indicate which cost scenario and outcomes (Turquoise, Aqua or Cobalt) most closely matched their short-term needs and whether the potential bill impact was affordable or/and reasonable and these are provided below for indication only. The generations within each family group voted in the same way with one family of 3 voting for Aqua and one family of 3 voting for Cobalt.

Voting Response[7]

- Turquoise: 0 votes
- Aqua: 3 votes
- Cobalt: 3 votes
- Undecided: 0 votes

Turquoise – CPI +2% High Level Investment Scenario

In line with other segments, Turquoise, that represented modest outcomes, a low CPI +2% investment and lowest bill impact, was not felt to be the way forward for 2027-2033. This scenario was disappointing and felt to be regressive and even though the cost increase was lower, it was not an acceptable way forward. Older members of the families were keen to leave a more positive legacy, and this 'poorly thought-out scenario' did not fulfil that desire.

"I just feel like that sounds a little bit logical, like illogical. Did you say, yeah, like double bursts. And that's really going to cost more in the long run."

Intergenerational Families

[7] The findings are based on this qualitative sample and are not statistically representative of the wider population.

"I don't think this feels particularly balanced. I think they're not investing in the areas that feel the priority to me like the repairing and replacing the assets. So it this one doesn't sit well with me because it feels like they're doing nothing even less obviously than the others"
Intergenerational Families

"I'm not sure what would pay an increase for full stop doesn't feel like it's doing anything"
Intergenerational Families

"Please just skip this one"
Intergenerational Families

"If you were coming into Dragons Den with this then I would be out"
Intergenerational Families

Aqua – CPI +4% High Level Investment Scenario

One of the intergenerational families reluctantly endorsed the Aqua scenario due to the cost of Cobalt being unaffordable and the other family rejected this speed of investment and progress outright.

Both families felt that the Aqua scenario was weak, that the outcomes were felt to be so marginal e.g. reducing outdoor floods by 200 and the overall tone and commitment was very reactive. Even the family that voted for Aqua called this a 'recipe for disaster' that would lead to more problems down the line.

It was difficult to see how this was going to address the challenges that were outlined in the webinar and any shared projects with local authorities were questioned due to low faith in local council management. There was no appetite or justification for bills to increase by CPI +4% to deliver such poor outcomes as this and it prompted families to want to see greater Scottish Water operational efficiencies.

"It seems like a very marginal improvement to be in the plan. That's the one thing that sticks out to me. And also within this, you've got an increase in the bottom part of the number of people that are experiencing interruptions which it's just not coming across as very positive for me, anyway."
Intergenerational Families

"No business should be reacting to failures. They should be proactive in preventing failures. So for me, this is a big no."
Intergenerational Families

"Unfortunately, I can't pick anything out anything positive from this, sorry"
Intergenerational Families

"It sounds very much as if the got a certain budget, and they can't do everything within the same budget. So they're having to cut things out as simple as that."
Intergenerational Families

"I mean 200 in the scheme of things when we're talking about floods and things and sewers over that just is so minimal. And it just doesn't seem like a big improvement I'd be looking for, I mean, at least a thousand, at least a thousand seems a good number, whereas 200 just seems like"
Intergenerational Families

"That's where I had actually said that I felt they should be focusing more of their time and be doing that faster because it kind of feels like they're saying their maintainer pipes and treatment works to continue to deliver the current levels of service by spending less now and focusing more on reacting to failures. Surely that's a contradiction in terms, because we're getting failures because they're not fixing"
Intergenerational Families

"This feels a bit backward. Because it doesn't really make sense. Why would they not just invest now, like, put themselves further. Well, the fact that 6,000 properties could be impacted up to 6 times a year. That's quite significant."
Intergenerational Families

"I want Cobalt but from a selfish point of view, from my point of view, and what's affordable, I think it would have to be aqua."
Intergenerational Families

Cobalt – CPI +6.5% High Level Investment Scenario

The Cobalt scenario was recognised to give better outcomes than the alternatives but there was limited positive endorsement of this option.

The most important part of Cobalt was the focus on ensuring that bursts did not increase and that there was more emphasis on reducing waste water flooding but as seen in other segments, beginning projects in the bigger cities was not always understood or felt to be appropriate.

The reasons for supporting Cobalt were:

- More positive and progressive language
- Ensures that water bursts do not increase
- There was some pushback on the city focus but this did not deter
- Better value for money than other scenarios.

"This feels more positive at least they're doing something positive as opposed to just writing things down and doing nothing. It's more expensive but its better value for money"
Intergenerational Families

"It feels like it's a tangible kind of reduction in all the other sections"
Intergenerational Families

"It's unreasonable, because I think that we've got to invest. We've got to speculate to accumulate. You know, we've got to make that investment. But at the same time for me, for our family, where we're at right now. I wouldn't want to be paying that much extra."
Intergenerational Families

"What are they doing to mitigate the costs? Is there cost saving measures that they can make where they could drop on something like that to invest in some of these"
Intergenerational Families

"I'm interested to know the point when it says, to prevent rainwater from entering sewers. They're going to look at Edinburgh, Glasgow and Dundee. Is that because they're the areas that are impacted the most, or just because that they're the biggest cities."
Intergenerational Families

"So I don't like that. They're starting in Edinburgh, Glasgow, and Dundee, because the whole of Scotland is prone to flooding everywhere from Wake up in the North Inverness, in the Middle Aberdeen, and all the little towns and villages along the coasts in between."
Intergenerational Families

3.7 Customers in Vulnerable Situations

Overall Observations

Customers who were medically or financially vulnerable participated in the research primarily through online depth interviews. Some household participants in the face-to-face workshops also fit the vulnerability criteria and are discussed in the section on bill paying customers. All financially vulnerable customers received discounts on their council tax payments and had an income of under £12,000 a year before tax. All medically vulnerable participants had a health condition or lived with those with health conditions that meant they needed to use a lot of water.

There was a high level of satisfaction with Scottish Water amongst vulnerable customers with praise for the quality and taste of drinking water and their environmental performance.

"I think the only thing and this is common throughout Scotland is that we've got the best water in the world."
Financially Vulnerable Customer

"They certainly seem to be taking care of the environment at their end, doing all the right things."
Financially Vulnerable Customer

When vulnerable participants had had dealings with Scottish Water previously, their experiences were largely positive.

"Limited involvement with them but every time that it has happened it's been an excellent service, no complaints whatsoever."
Medically Vulnerable Customer

Criticism of Scottish Water was limited and for the most part related to the wastewater side of the business or to disruption during repairs.

"I wasn't aware. I thought Scottish Water and sewage were two different entities."
Financially Vulnerable Customer

Spontaneous Requirements

Short term priorities

The short-term priorities of vulnerable customers were broadly similar to those of non-vulnerable household customers, however there were a few differences, for example a decreased focus on waste water and flooding and disruption during works.

Table 23: Basic expectations for SR27

Basic Expectations for SR27				
Drinking Water Quality	Asset Maintenance	Supply of Water	Environment	Cost
• Clean, safe water supply • Colourless and pesticide free water	• Maintain pipes • Address/fix leaks • Pre-notification which includes timeframes	• 24/7/365 • Reliable service	• Adherence to environmental guidelines when sourcing and cleaning water	• Accurate billing • Affordable
"At the most basic level I would expect Scottish Water to provide a safe, clean (and clear), and reliable water supply"	*"In the event of an external burst water pipe I anticipate that they would attend to same as a priority."*	*"I expect Scottish Water to supply me with clean drinking water and maintain a mains water supply to my house"*	*"I expect SW to abide and honour the laws and regulations of the Scottish Govt."*	*"It would be nice to have this service provided at a reasonable cost"*

Table 24: 'Nice to Do' expectations for SR27

'Nice to Do' Expectations for SR27			
Communications	Education	Cost and Reward	Conservation
• Forum for sharing information and resources • Regular updates	• Share ways to avoid causing issues with wastewater	• Incentives for proper management of wastewater • Compensation for loss of water supply	• Environmental regeneration and preservation at Scottish Water sites
"It would be nice if there was a forum online that everyone had access to for sharing information and resources for all."	*"Educational videos and information available for everyone"*	*"It would be nice if they had an incentive program for people that use the service properly as in not causing issues with waste in wrong places"*	*"It would be nice for SW to invest in environmental regeneration/ preservation efforts, especially at the water sites/ effluence sites"*

Table 25: 'Icing on the Cake' expectations for SR27

'Icing on the Cake' Expectations for SR27	
Water conservation	Vulnerable customers
• Measure usage • Install SMART meters	• Tariff for customers in vulnerable situations • Support with installing necessary equipment
"For me the icing on the cake would be a facility to monitor how much water I am actually using in my household."	*"It would be exceptional of SW to assist households who may require more water for medical purposes"*

Longer term priorities

In the long term, vulnerable customers believe Scottish Water need to tackle the impacts of climate change, flooding, high levels of water usage and wastewater pollution with customers suggesting education could aid the latter two issues. Keeping costs low was also highlighted as a long-term priority given the rising cost of living, along with maintaining the quality of drinking water.

"I think SW should promote saving water, particularly as this commodity is becoming increasingly scarce in some areas of the world."
Financially Vulnerable Customer

"To be honest there are still a lot of issues in certain areas with flooding, this is something that will need more looking into"
Medically Vulnerable Customer

An important factor should be keeping costs down wherever possible, particularly as other costs (eg utilities) are rising
Financially Vulnerable Customer

Response to High Level Investment Scenarios

Similar reactions to the high-level scenarios were seen in vulnerable customers as the rest of the household sample. One key difference was that the only customer to vote for the Turquoise scenario was a financially vulnerable customer who chose Turquoise as it has the lowest cost impact.

Summary of Response

Voting Response[8]

- Turquoise: 1 vote
- Aqua: 1 vote
- Cobalt: 4 votes
- Undecided: 0 votes

Turquoise – CPI +2% High Level Investment Scenario

Only one customer selected the Turquoise scenario as their preferred one, this was entirely for cost reasons. The remaining vulnerable customers felt that Turquoise did not offer enough value and were concerned about the proposed outcomes, particularly in relation to leakage and burst pipes, and the impact on long term quality of service. They preferred increased investment to fund more proactive change.

"I know it's similar to the one before but I wouldn't be so happy with this one. Purely because the number of leakages doubles and also because the areas that need water won't get it."
Financially Vulnerable Customer

"If they start to drop those standards it's just going to lead to long term problems. It might be money saving in the short term, but in the long term that would be disastrous, and they must never let the quality of the water diminish."
Medically Vulnerable Customer

[8] The findings are based on this qualitative sample and are not statistically representative of the wider population.

"There's not going to be many changes and realistically, the cost will go up by each year. But I just feel that's basically trying to sweep it under the rug and it doesn't sound very good at all."
Medically Vulnerable Customer

Aqua – CPI +4% High Level Investment Scenario

Vulnerable customers largely rejected Aqua in favour of Cobalt. Although there were elements they praised, such as initiatives to tackle drought, there were still questions around the level of ambition and the outcomes for this scenario. One customer selected Aqua as their preferred scenario, but this was because of reservations with Cobalt's proposed flooding plan focusing initially on the Central Belt.

Cobalt – CPI +6.5% High Level Investment Scenario

Despite the increased cost, Cobalt was the preferred scenario for four vulnerable customers. They praised the reduction in levels of leakage, decreased rate of pipes bursting, the plan to mitigate drought in seven areas and the proposal to replace treatment works.

"Because if you just let them carry on and on we're going to have more and more problems further down the line. It's going to cost even more to replace it. So if it's being replaced, do it now definitely."
Financially Vulnerable Customer

"And it means that you're not going to have an increase in the leakages. You would think that would be the better way to go."
Medically Vulnerable Customer

"If that's going to make a significant difference to things on a national scale improving then it's a worthy investment."
Medically Vulnerable Customer

Although one financially vulnerable customer believed Cobalt was unaffordable, the other customers viewed the investment as worth it for the increased benefits of Cobalt and the cost as lower than anticipated.

"I'd be quite happy knowing the service I was getting for that money."
Financially Vulnerable Customer

"That's £12 more than the other one. I thought it would have been a lot higher."
Medically Vulnerable Customer

3.8 Non-Household Customers

Overall Observations

There were a range of business customers that were included within the research exercise including micro, small and medium sized businesses operating in a range of industries: retail, manufacturing, hospitality, health, entertainment, beauty, tourism, transport and finance. Some were new start-ups whilst others had been running for over twenty-five years.

The large businesses featured included a livestock and arable farm, a city centre restaurant chain, a chain of ultrasound clinics and an innovation consultancy which managed a business park.

The variety and nature of the businesses meant that some were more water dependent than others. For example, one of the larger agricultural businesses stored rainwater on the farm as a back-up as the business could not operate without water for the wellbeing and survival of the livestock. For this business, water pressure was also important to ensure that water could be pushed quickly and easily around the sizeable farmland. In contrast, we had a service based business who operated a successful filming company and used the landscape of lochs and lakes across Scotland as filming locations. Their business needs for water were more modest and they needed running water for staff well-being, refreshment, hygiene, hand-washing and wastewater removal.

Regardless of business size, customers were very positive about Scottish Water quality and supply. However, there was some desire for greater communication and collaboration to ensure water efficiencies, especially from businesses with higher water usage.

“I would say this is the only thing that they kind of lag a bit on is they don't really communicate well to businesses…..because you don't hear of them so you don't know what they're doing for the environment”

NHH Customer

“I do deal with Scottish Water in our construction business, and they're really good at giving you a time to come. If you've got any issues, they're really prompt to come as well, and they're really well organized. As a company, they're pretty good.”

NHH Customer

Spontaneous Requirements

Short term priorities

Before reviewing the potential high level investment scenarios, businesses were asked to think about what was important to them from a water and wastewater perspective and where they wanted Scottish Water to focus their short-term plans. They were asked to consider what was basic/expected, what would be nice for Scottish Water to do but not essential and what would be the ‘icing on the cake’.

Regardless of business size, there were some consistent themes that emerged and even some of the smaller businesses using water for everyday use were still keen to see more proactivity from Scottish Water especially in terms of developing a relationship and being able to provide proactive advice on ways to save water and money. These insights are shown in Tables 26, 27 and 28 below.

Table 25: Basic expectations for SR27

Basic Expectations for SR27				
Drinking Water Quality	Asset Maintenance	Supply of Water	Environment	Cost
• Clean, drinkable, tasty water • Frequent testing • Consistency • Pressure	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification to ensure business can make alternative plans • Maintenance outside of usual business hours	• 24/7/365 • Reliable service • Able to supply every business in Scotland	• Good waste water removal • Good drainage • Bathing/river water quality • Stop releasing pollution • SCO sanctions	• Accurate billing • Affordable • Tariffs for customers in vulnerable situations
"We need good pressure so that sinks are cleaned and toilets can flush"	*"I expect Scottish Water to provide clean water and keep the drainage system working"*	*"Our tenants rely on it for everything from manufacturing to research, so it's critical there are no interruptions"*	*"No sewage issues like back up in toilets, overflow in sewage systems"*	*"We expect a fair price"*

Table 26: 'Nice to Do' expectations for SR27

'Nice to Do' Expectations for SR27			
Communications and Accountability	Water Conservation	Environment	Disruption
• Ability to view the company report to be comfortable with the management • Transparency of information/costs • Easy to contact • Respond quickly • Level of performance on CSPs • Compensation for disruptions	• Advice on streamlining operations to save water and money • Work in collaboration with Scottish Water including partner projects to explore water sustainability • Share ways to reduce usage • Introduce sustainable energy	• Reduce emissions • Challenging targets • Protect natural world • Green water projects to assist in decarbonisation goals • 'Green Water' endorsement	• Minimise local traffic disruption • Minimise roadworks • Coordination with other service providers • Explain what is happening and why
"I always want to know where I can access reports of their yearly findings, etc"	*"If Scottish Water offers guidance on water conservation that would be helpful"*	*"It would amazing to be able to use water for renewable energy"*	*"When there are any disruptions. Would be good if they told customers what exactly they're doing and the importance of the work"*

Table 25: 'Icing on the Cake' expectations for SR27

'Nice to Do' Expectations for SR27			
Cost and Reward	Relationship	Technology/Innovation	Community
• Incentives to reduce water • Fair rates • Rewards for using less water • Offer a price cap	• Interest in business • Visit customer sites	• Embrace technology in all projects • App/webchat • Hydro power • Grey water recycling • Advanced wastewater treatments	• Public water taps • Educational campaigns • Education in schools • Charitable action • Community projects • Internships • Sponsored events • Support green spaces • Enhance local waterways
"Icing on the cake would be a price cap"	*"Maybe coming out to see us and showing where we can make savings"*	*"I would want to see investment into greener water solutions"*	*"Initiatives like funding green spaces, enhancing local waterways, or supporting educational programs on water conservations that benefit both businesses and the wider community"*

Longer Term Priorities

For the longer term, business customers repeat themes that mirror the short-term expectations. They mention wanting Scottish Water to focus on greater environmental protection and sustainability and helping businesses achieve this operationally to ensure water conservation and cost savings.

"I think Scottish water need to help us become more sustainable and friendlier for the environment as well as ways to save money as a whole. I believe becoming a better business relationship with us and not just companies like Everflow that I'm with now. This makes me feel like the information I'm giving is important and more credible to our customers and ourselves."

NHH Customer

"Expand water recycling and conservation programs, ensuring that Scottish Water remains a leader in environmentally sustainable practices."

NHH Customer

There is also a desire to see Scottish Water invest in asset maintenance in the longer term to ensure that current service and water quality is maintained so that businesses can continue to operate at the same level. There is a recognition that there are enough additional pressures on businesses without worrying about basic needs like clean water and water removal so future proofing assets is felt to be critical.

"I want to see them reinvesting in pipes for reliability going greener for a sustainable future"
NHH Customer

As with other segments, businesses feel that part of the long-term focus should be on water conservation to ensure that water is used efficiently. As businesses are metered, there is a particular focus on this and the potential for associated cost savings if water is managed better.

"Offer dedicated resources or advice to help high-usage sites like ours manage water more efficiently and sustainably"
NHH Customer

"Offer tailored programs and guidance on water efficiency and cost reduction to help small businesses like ours adapt to rising operational costs"
NHH Customer

All of these longer-term suggestions are also mentioned by businesses as areas for Scottish Water to focus on in the short term. This is also reinforced by the long term need to focus on fair business pricing.

"Please keep costs low"
NHH Customer

Response to High Level Investment Scenarios

Throughout the sessions and interviews, non-household customers were reminded to think about their business and devices were used to prompt them to focus on what they need from Scottish Water to support their businesses and how the high-level investment scenarios could impact their businesses.

In terms of response to the high-level investment scenarios, there were no differences according to business size, sector or water dependency levels. Indeed, regardless of business size or water dependency, without running water and good waste management, businesses would find day to day operations impossible. For example, within the sample there were large and small sized businesses in the hospitality industry that relied on water to operate. There were also smaller, low water dependency business like our candle maker who had no premises or staff, but water was a key ingredients and small retail businesses who felt it would be difficult to function without good basic services from Scottish Water.

When evaluating the different high level investment scenarios, all businesses welcomed investment that future proofed the network and minimised any future service disruptions that could impact on their bottom line. However, increasing overheads were already causing some cost pressures for some of the businesses and this influenced the choices/level of investment that they felt Scottish Water should make.

Summary of Response

Note that this is qualitative work and base sizes are very low and not representative of the wider Scottish Water population. However, customers were asked to indicate which cost scenario and outcomes (Turquoise, Aqua or Cobalt) most closely matched their short-term needs and whether the potential bill impact was affordable or/and reasonable and these are provided below for indication only.

Voting Response[9]

Turquoise: 0 votes
Aqua: 17 votes
Cobalt: 5 votes
Undecided: 4 votes

Turquoise – CPI +2% High Level Investment Scenario

Despite the cost pressures, none of the businesses within the qualitative sample chose the lowest scenario, Turquoise, that represented modest outcomes, a low CPI +2% investment and lowest bill impact. In line with all other segment groups, businesses felt that this scenario was short sighted and were surprised by the lack of forward planning. Some businesses felt this could be reputationally damaging for Scottish Water and were concerned about the idea that bursts could be doubled under this scenario.

"There could be greater cost implications via the lack of investment or progression in improving some of these facilities areas. This would probably be one I wouldn't be as amenable to. I'd probably prefer that increase in cost."

NHH, Large

"I mean to me. It just makes me think that it will cost us more in the future You know that that you that they're doing things slowly, but the work is still going to need done at some point"

NHH, SME

Aqua – CPI +4% High Level Investment Scenario

The businesses that reluctantly endorsed the Aqua scenario, which was CPI +4% bill impact for the suggested outcomes, were not very comfortable with the outcomes. However, they did not feel they could afford the higher bill impact as they were already feeling financial pressure on business outgoings e.g. cost of food rises in hospitality industry, electricity bills rising and impacting on overheads. They wanted to see better outcomes but did not feel they could commit to higher bills given current levels of economic uncertainty.

[9] The findings are based on this qualitative sample and are not statistically representative of the wider population.

Reasons for supporting Aqua:

- Service is okay at the moment and none of the issues discussed would be likely to materially affect their business so Aqua feels like the pragmatic option
- Aqua is a lower cost than the optimum investment scenario, Cobalt (even though Aqua was not felt to be good value for money as the outcomes were so poor)
- Aqua delivers 'maintaining leakage' and this was welcomed as they do not want performance to decrease as any leakage is wasteful and businesses did not want leaks impacting on their customers
- Larger businesses were more pragmatic about internal sewer flooding and felt that 430 properties out of the whole Scottish Water property portfolio was not 'a huge amount' but SMEs had a similar response to many households and thought that any internal sewer flooding was outrageous
- Initiatives that reduced flooding and prevented rainwater from entering the sewers was positive and they felt that the Aqua scenario was less biased towards the big Cities
- Aqua spend on pipes is better than Turquoise although reduced spending on pipes and treatment works was viewed negatively and any increases in bursts was not welcomed - 25% was felt to be high

"Any increase is a hard pill to swallow but they are not a new business so aware of the risks of not investing e.g. flooding. As a mature business, we would be prepared to take CPI +4% increase if they can deliver these to high standard as we want our business to exist in another 20 years."

NHH, Large

"We would need to have a total cast iron reassurance that all the pipework to that building is being managed and maintained in a way that's not going to result in a flood. Because if you're at the bottom of the building, you are the biggest impacted."

NHH, Large

"And you're asking us to be mindful of our usage but 25% of the water is being leaked out. It's like, doesn't matter how mindful we're being, it sounds like a lot of waste is happening"

NHH, SME

"I would have to do this but I don't think I could put my prices up by this much. I would lose customers"

NHH, SME

"We don't really know if they can deliver it (Cobalt) so I think maybe Aqua is more realistic for a more reasonable increase"

NHH, Large

"Obviously, everything's going to increase with inflation. But you don't want to go with Cobalt where the prices are going to skyrocket like way high. So I'm just going to stick with Aqua"

NHH, SME

"I would definitely go Aqua because Cobalt is more than double the money. But the money getting spent in the 1st instance, in only 3 flood areas, which are all Central Belt? Nothing north of Dundee. What about the floods in Aberdeen and Aberdeenshire? What about the people cut off from amenities because of sewage flooding because of heavy rainfalls."

NHH, SME

Cobalt – CPI +6.5% High Level Investment Scenario

Of the businesses that endorsed Cobalt, there was still a concern that the CPI +6.5% bill impact is felt to be too high and they may or may not be able to pass those costs on to their customers. However, the bill impact was outweighed by their concern that putting investment off might have a negative impact in the future for their water supply and wastewater services and whether this would mean increased future costs as problems with infrastructure would get worse.

As businesses, they wanted reassurances that Scottish Water would be monitored and that targets would be in place to monitor progress across all outcomes to make sure that they invested the money in the areas they promised.

"It's promising more but what happens if they can't actually achieve this and our bills have gone up. Do we get money back?"

NHH, Large

"I'm just being blatantly honest here to have a less increase, but a less job done that is actually going to cost more in the future. It's a no brainer invest now before it becomes a major problem. There's an old saying, Buy cheap, buy twice.

NHH, SME

"I think the cost you would notice you would start to notice the cost

NHH, SME

"Have the wee bit more expensive added on to you, because you can add it on via, like your clients. You can put up slightly. 10 pounds, as I said, is nothing"

NHH, SME

4 Baseline Associations with Scottish Water

During the research, five key association themes emerged from both household and business customers. These themes represent the main perceptions and priorities that shape how customers view Scottish Water.

4.1 'Better Than' England

There was a widespread belief, regardless of sample type, that water quality was better in Scotland than in England. Participants referenced the taste of the water as well as its benefits for their hair and skin when washing.

This higher quality was attributed to different factors such as amount of rain, governance and ownership models in Scotland compared to England, proximity to hills and springs and the operational processes and structures in place in Scotland.

"We were supplied by United Utilities and they had more problems than Scottish Water have, which is quite interesting to me, because Scottish water is nationalised and United Utilities was privatised where it seems to be cheaper up here when you take the community charge and the water into account, and the service seems to be better"
Remote/Rural Customer

This 'Better Than' framing and the mirror of watching English water services decline drives some appetite for investment and a keenness for the current quality of water and service levels to be preserved.

"I would hate to think that the complacency that other companies have maybe south of the border creeping in at all."
Intergen Customer

There were a minority of comments in the homework exercises that expressed fears of underreporting of pollution incidents in Scotland compared to England.

There was also a desire to avoid exporting water to England.

- Considerations for SR27:
  Spontaneous 'better than' framing and belief of inferior English service drives some sense of fear and feeling that Scottish Water infrastructure needs to be maintained/ future proofed.

4.2 Pride in Water Quality

The national pride associated with water quality in Scotland plays a significant role in shaping customer expectations. Participants often use patriotic language, viewing Scottish Water as a symbol of local pride, which adds a layer of responsibility in ensuring high standards are maintained. This perception makes customers more likely to hold Scottish Water to high expectations, especially in terms of quality, sustainability, and protection of the resource.

"It's just the best in the world"
Household Customer, Aberdeen Group

"I think trying water in other countries has given me an appreciation for the quality of water in Scotland that I have taken for granted for most of my life"
Future Customer

- Considerations for SR27:
  Responsibility to maintain and 'protect' the current water quality and opportunity to communicate the positivity and leverage the pride

4.3 Scottish Water's Invisibility

The invisibility of Scottish Water has both positive and negative implications. On the one hand, it means that Scottish Water is operating under the radar, with many customers feeling they don't need to think about it—this is a sign of reliable service and satisfaction, as customers aren't faced with issues or disruptions. The absence of supply problems, non-metered billing, and reliance on Licensed Providers for non-household customers contribute to this perception of a seamless, low-maintenance service.

However, the downside is that customers take the service for granted due to this lack of visibility. With limited conscious connection, particularly among non-household customers, it could be difficult for Scottish Water to build brand loyalty, engagement, or raise awareness about its sustainability initiatives. It may also challenge efforts to educate customers on how their actions impact water usage or conservation efforts.

"Several people have mentioned themselves that they kind of forget that Scottish Water is there, and how good it is, and they take it for granted. So invisible is almost quite a strange but excellent positive word."
Remote/Rural Customer

"And I guess I would almost liken it to how we take the NHS for granted, because that's obviously UK-wide And look what's happened to it. Yeah. I'm sorry"
Urban/Suburban, HH Aberdeen

However, customers are less aware of their own behaviour or impact on the network, for example with regard to water consumption, and negative issues such as leaks are noticed.

"I think I've kind of taken it for granted. You just turn on the tap and it's there. Yeah, we're so fortunate that we do take it for granted"
Household Customer, Aberdeen Group

- **Considerations for SR27**
  Baseline satisfaction with continuity of supply is high but there is a need to provide stronger profile and connection if behavioural change is desired in the future (prevent blockages/reducing water consumption).

4.4 Fairness of Bills

The lack of engagement with water charges among household customers highlights a disconnect between the service provided and how customers perceive its value. Some participants feel that the council tax system for water is outdated and unfair, particularly because it penalises low water users. This can lead to a lack of incentive for customers to monitor or reduce their water consumption, as the current system doesn't reward efficiency.

The flat-rate charges or council tax inclusion mean that customers aren't directly tied to their water usage, which can contribute to inefficiencies and a lack of awareness about the environmental or financial impact of overusing water.

"The council tax…they literally drove down the street and they picked values for each house as they looked at them that was back in pre-91 and values have changed now"
Household Customer, Aberdeen Group

For those who felt the cost was fair, the flat-rate system was seen as an advantage, particularly for larger families who benefit from not being penalised for higher water usage. They appreciated the unlimited access to water, which allowed them to use as much as needed without worrying about additional charges based on consumption.

Additionally, participants who viewed the charges as fair generally felt that the service provided by Scottish Water justified the cost. The reliability, quality of water, and the company's infrastructure were recognized as valuable, leading to a sense that they were receiving good value for money.

"I think they're pretty reasonable to be fair. I've only paid one bill so far because we just moved in, and I was expecting them to be a lot higher than they were."
Remote/Rural Customer

There was noticeable surprise among household customers when they compared their average water usage to that in England, suggesting that many were unaware of the differences in consumption patterns. This led to a growing interest in smart meters, with some participants expressing a desire for ways to gamify water usage, similar to the approaches seen with energy consumption. The appeal of smart meters was linked to the potential for better tracking and understanding of water usage, which could help promote more mindful consumption.

However, despite the interest in smart meters, there was reluctance toward adopting metered charging for water. Many participants expressed concerns about price rises and how such changes could disproportionately affect vulnerable customers. This tension between encouraging efficient water usage through smart meters and the potential financial impact on low-income households reflects a challenge for Scottish Water in balancing sustainability with affordability.

"I know we don't pay for it as students, but I think maybe we should have a limit on how much we use, to make us think more carefully about wasting it"
Future Customer

Non-household customers generally had a better understanding of metering and the rationale behind it, being accustomed to the system already. As a result, there was a higher level of awareness around water usage compared to household customers. These customers were often more cautious about their consumption, taking care to monitor and reduce usage where possible.

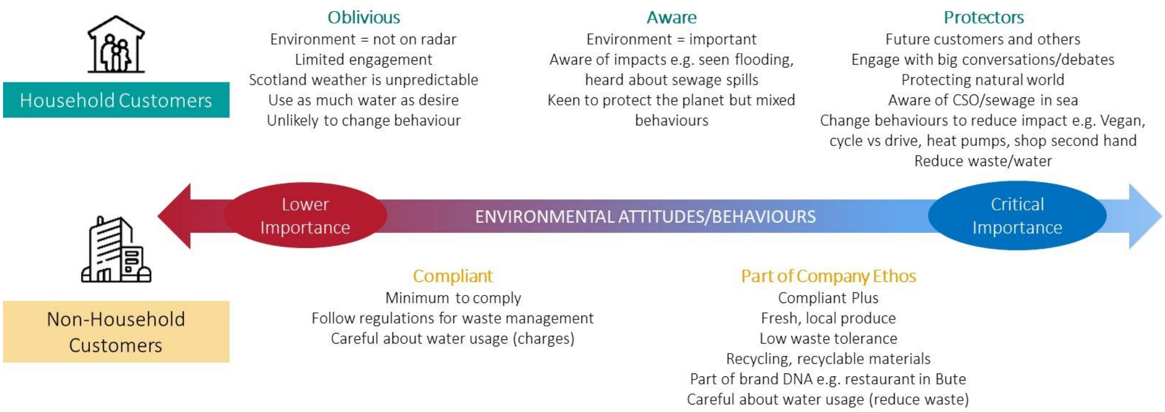
Some non-household customers, however, felt that despite their efforts, there was still more that could be done to reduce consumption. This group appeared to be more proactive and open to further sustainability measures. They might be interested in exploring ways to optimise usage, such as technology or innovative solutions, to ensure that their water consumption aligns with both operational needs and environmental sustainability goals.

- **Considerations for SR27:**
  Current household billing mechanism (meter/council tax) feels very divided and would require a dedicated research project to comprehensively explore this subject

4.5 Environmental Attitudes and Behaviours

Varying attitudes to the environment were seen in household and non-household customers, as shown in the figure below.

Figure 8: Environmental attitudes and behaviours expressed in this research



"I think it's really important to our family and we try and cycle and not use the car to avoid any pollution"
Water Only

While there were no climate change deniers among participants, there was a general belief that Scotland's abundance of rainfall would protect the country from the risks of drought. Many were surprised to learn that some areas in Scotland could be more vulnerable to drought than others. This indicates a knowledge gap around regional water scarcity issues, despite the overall perception of Scotland as a water-rich country.

When it comes to environmental concerns, the greatest focus was placed on waste water spills, particularly with regards to Combined Sewer Overflows (CSOs). Participants expressed a strong desire for transparency in the CSO policy, showing concern about how and when these systems are used and their environmental impact. This was a more prominent concern than even Scotland's Net Zero goals, although some awareness of the country's broader environmental commitments was still present.

"It's unacceptable the extent of the sewage spills and the lack of reporting is a real worry"
Household Customer, Edinburgh Group

4.6 Summary of Service, Community and Environment Scores

During the main fieldwork, participants were asked to score Scottish Water out of seven for service, community and the environment. A table with average scores is shown below.

Table 8: Average scores for service, community and environment[10]

	Service	Community	Environment
Water Only	6.0	4.6	4.8
Bill Payers: Remote/Rural	6.2	4.3	4.5
Bill Payers: Urban/Suburban	6.3	4.7	5.1
Futures: Remote/Rural	7.0	5.5	6.3
Futures: Urban/Suburban	5.6	4.0	5.3
Vulnerable Customers	6.6	6.2	6.8
NHH	6.0	5.7	5.0
Total Scores	6.2	5.0	5.4

[10] The findings are based on this qualitative sample and are not statistically representative of the wider population.

The explanations for service scores commonly centred around the high quality of water in Scotland and the reliability of supply with minimal interruptions. These factors were seen as the easiest to assess and contributed positively to customer satisfaction. However, participants tended to focus primarily on clean water in their service assessments, with less attention given to wastewater services. This indicates that water quality is a more prominent factor in service satisfaction, and there may be opportunities to highlight improvements or initiatives related to wastewater services.

For community and environmental scores, many participants indicated unawareness of the specific work that Scottish Water does in these areas. This knowledge gap made it harder for some to provide an informed assessment, leading to lower scores compared to service, even though there was no inherent dissatisfaction with Scottish Water's efforts.

The lower scores were more a reflection of a lack of awareness rather than negative opinions. The exception to this was with waste water spills and concerns around water conservation, which directly impacted some participants' environmental ratings. These concerns were tied to both environmental responsibility and transparency, highlighting areas where communication gaps could be addressed.

- Considerations for SR27:
  Greater communication of the work being done to support Scottish communities and the environment will be important when implementing any increase to water charges to demonstrate the value added by Scottish Water.

5 Spontaneous Expectations

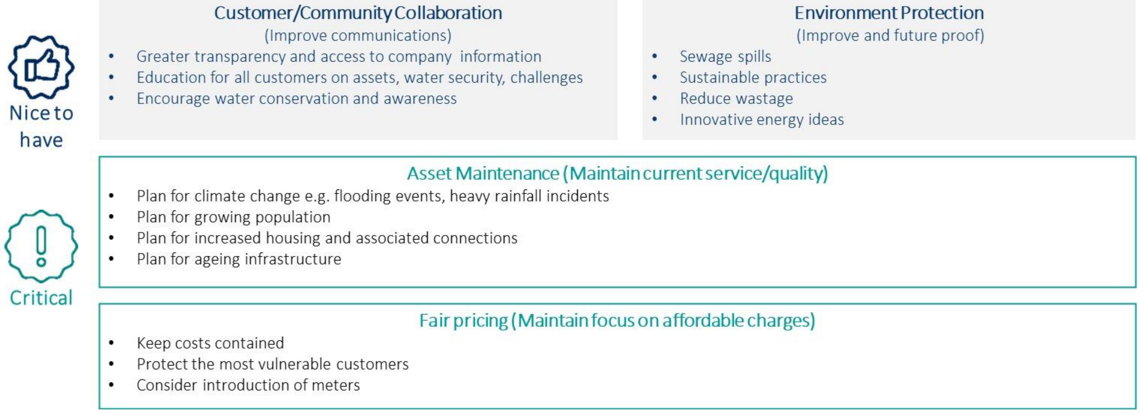
5.1 Long Term

The long-term view expressed by participants in the initial homework task underscores several key themes that align with the existing perceptions and expectations of Scottish Water's services. Customers are looking ahead with a clear set of priorities that reflect both continuity of service and a commitment to sustainability, balanced with a fair pricing structure. These themes are crucial when evaluating the long-term investment options, as they provide a lens through which different scenarios can be assessed and judged.

1. Maintaining Service Levels: Customers strongly believe that current service levels should not only be maintained but ideally enhanced. This aligns with the high satisfaction scores for clean water quality and the general reliability of supply. Ensuring that there are no declines in these service levels is a top priority.
2. Environmental Protection: There is a clear expectation that environmental protection will continue to be a focal point for Scottish Water. This reflects concerns raised about waste water spills and the sustainability of water usage. Customers want Scottish Water to remain proactive in tackling these issues, with an emphasis on transparency and responsible management of water resources.
3. Improved Communication: Customers expressed the need for better communication, especially around environmental practices and sustainable initiatives. They want to know more about what Scottish Water is doing to protect the environment, reduce carbon emissions, and manage wastewater and waste water systems. This can foster a more engaged and informed customer base.
4. Affordable and Fair Pricing: Despite their appreciation for the quality of service, participants emphasised that they expect pricing to remain affordable and fair, with a particular sensitivity towards vulnerable populations and low water users. They want assurances that any investment in infrastructure or environmental initiatives will not lead to unjust price hikes.

A detailed breakdown of the four areas can be seen below:

Figure 9: Four key long term expectations



- **Considerations for SR27:**
  When looking into the long term, customers feel it is critical that current service levels do not diminish, and that environment protection and communication is improved but want pricing to remain affordable and fair.

5.2 Basic Expectations

When focusing on the shorter-term SR27 period, customers identified several basic expectations regarding service levels, with clear distinctions between what they considered necessary, desirable, and ideal. These expectations have evolved compared to previous reviews, highlighting a shift in customer priorities, especially around environmental concerns (pollution, sewer flooding, CSOs, and bathing and river water quality.

Here are the basic expectations for the SR27 period:

- Drinking water quality
  - Clean, drinkable, tasty
  - Frequent testing
  - Consistency
  - Good pressure (esp. NHH)

- Asset maintenance
  - Maintain pipes
  - Address/fix leaks
  - Improve network
  - Efficient repairs
  - Pre-notification
  - Maintenance outside of business hours (NHH)

- Waste water/Flooding
  - Good waste water removal
  - Good drainage
  - Bathing/river water quality
  - Stop releasing pollution
  - Fines/sanctions if CSOs continue (NHH)
  - Septic tank pumping (water only)

- Cost
  - Keep low
  - Affordable
  - Tariffs for customers in vulnerable situations.

- Considerations for SR27:
  Customers appear more informed than the previous price review and have a wider range of basic expectations for Scottish Water to proactively address – reference to these core needs were included in the high-level investment scenarios

5.3 'Nice to do' for SR27

The "nice to do" priorities represent areas where there is growing interest and importance, but they are not yet considered essential by all participants. These priorities focus on improving policy and communications in areas that are viewed as increasingly significant by customers. The following four categories were highlighted as part of the "nice to do" priorities:

- Communications & Accountability
  - Company reports/ management (NHH)
  - Transparency of info/costs (NHH)
  - Easy to contact (HH)
  - Respond quickly (HH)
  - Level of performance on CSO
  - Compensation for disruptions

- Water conservation
  - Advice on streamlining operations (NHH)
  - Collaboration (NHH)
  - Partner projects to explore water sustainability (NHH)
  - Measure usage (HH)
  - Install SMART meters (HH)
  - Share 'average' information/trends
  - Share ways to reduce usage
  - Introduce sustainable strategy

- Environment
  - Reduce emissions
  - Challenging targets
  - Protect natural world
  - Green water projects (NHH)
  - Assist in decarbonisation goals (NHH)
  - 'Green Water' endorsement (NHH)

- Disruption
  - Minimise local traffic disruption
  - Minimise roadworks
  - Coordination with other service providers.

- Considerations for SR27:
  It will be important for wider SR27 plan to demonstrate what Scottish Water plans are to meet these 'nice to do' priorities - there was nothing in the high-level investment scenarios that focused on these suggestions.

5.4 'Icing on the cake' for SR27

The final priority tier focuses on areas that are important to customers but are not currently featured in the high-level investment scenarios. These areas include price rewards, relationship with Scottish Water, technology and innovation, and community engagement. These elements are considered important for strengthening customer trust and engagement but are not yet prioritised for major investment decisions:

- Cost/Rewards
  - Incentives to reduce water
  - Fair rates
  - Rewards for using less water
  - Price cap (NHH)

- Relationship
  - Take an interest in business (NHH)
  - Visit customer sites (NHH)

- Technology/Innovation
  - Embrace technology in all projects
  - App/webchat
  - Hydro power generation
  - Grey water recycling (NHH)
  - Advanced wastewater treatments (NHH)
  - Support of water turbulent engine systems (NHH)

- Community
  - Public water taps
  - Educational campaigns
  - Education in schools
  - Charitable action
  - Community projects
  - Internships
  - Sponsored events (NHH)
  - Support green spaces (NHH)
  - Enhance local water ways (NHH)

- **Considerations for SR27:**
  Important for wider SR27 plan to demonstrate what policies Scottish Water have to address some of these areas – there was nothing in the high-level investment scenarios that focused on these suggestions.

6 Initial Choice Framework

Before discussing the high-level investment scenarios, individual choices were captured through a homework exercise that indicated what participants' priorities for investment would be and why. Participants were asked to select an area that they want Scottish Water to focus on more or should be delivered faster.

All of the investment areas were felt to be important and interlinked. However, the qualitative order of importance is outlined in the table below. A quantification exercise would be needed to provide a robust ranking.

Ranking in Order of Importance	More Desired
Most Important • Repairing/replacing assets	1. Replace pipes from the 1960s/1970s that are vulnerable to bursts 2. Build new and/or replacement assets that will withstand rapid effects of climate change
• Managing rainwater	3. Reduce number of homes/business and communities affected by rainwater overwhelming sewers causing sewer floods 4. Working partnership with others to maximise impact of investments and use environmentally friendly solutions to manage rainwater better
• Internal sewer flooding	5. Change the number of people living with the worry of sewer flooding
Least important • Balancing supply/demand	6. Connecting water systems to enable water to be moved around 7. Reducing amount of water taken from the environment

- **Considerations for SR27:**
  Individual feedback and comments reinforced the spontaneous learnings that there is a thirst for progress and some very strong pushback on regressive plans/language.

6.1 Balancing supply and demand

Leakage

Participants expressed strong negative views towards leakage, particularly in the context of encouraging customers to reduce water usage while Scottish Water itself was seen as wasting resources through leaks. This contradiction made leakage a sensitive topic, with participants feeling that it undermined Scottish Water's credibility in promoting water conservation.

Leakage was perceived as wasting precious water, especially considering the growing emphasis on sustainability and resource management. The idea of asking customers to conserve water while Scottish Water continues to lose it through leaks was seen as hypocritical.

Participants also raised concerns about the cost of producing water and the associated inefficiencies of leaks, which were seen as not only wasting a vital resource but also driving up costs for customers. This added to the negative perception of leakage.

The webinar's focus on the decline in leakage helped to soften some concerns, with participants acknowledging the progress made. However, many felt that it was not enough simply to maintain current leakage levels.

There was a strong desire to see continued reduction in leakage, as this would be viewed as a tangible improvement and a more effective response to the challenges of water conservation.

While the Cobalt scenario mentioned a goal to reduce leakage, the language used around this goal was seen as vague and not tangible. Participants wanted more concrete and specific commitments to decrease leakage levels further, not just maintain them at current rates.

Moving Water to Areas in Need

This was seen by some participants as less of a priority for Scotland due to the level of rainfall making droughts seem unlikely. Participants were less familiar with population shifts and climate differences that would require transporting water across Scotland. For some participants, the number of areas highlighted in the Cobalt scenario, seven, felt like too many areas needing extra water.

"I'm not convinced that there are 7 areas that really need the water. Would they not have any drinking water or is this just about making green spaces look nice, in which case it's not a priority for me."
Household Customer, Aberdeen Group

Modernise Water Treatment Works

For participants, this area was viewed as very important and tangible. Increased future demand from population rises and a changing climate meant that future proofing treatment works felt necessary. In addition, 900,000 customers felt like a significant number who would be impacted. There was surprise expressed that this was optional and queries about what would happen if this measure was not taken.

"I like the word 'modernise. They are being more positive and proactive in this one."
Household Customer, Edinburgh Group

- Considerations for SR27:
  'Modernising water treatment works, that affect a considerable number of people' felt to be important. Reducing leakage is nice to have but not urgent (given the declining trend). Customers are less convinced about the need to invest in transporting water.

6.2 Internal Sewer Flooding

Choice scenarios tested were: Turquoise and Aqua = maintaining currently levels (circa. 430 properties) and Cobalt = reducing from circa. 430 to circa. 315 properties).

Participants had a mixed response to this topic, often with an initial emotional response where the existence of this issue in the modern era was felt to be shameful and disgusting.

"It's unacceptable for a civilised society to have that, and it's unacceptable that that was an optional issue"
Remote/Rural Customer

It was felt to reflect poorly on Scottish Water that anyone had to live with the fear of internal sewer flooding and that the proposed solution would only slightly reduce the number of properties impacted.

"Only thing I don't really care about because it's such a minor thing is the 430 to 315. To me, 315 in the grand scheme of Scotland – I'm like that's nothing, but that's because I'm not affected by it. I'm sure the people who are affected by it are very angry and want things to be done about it"
Medically Vulnerable Customer

However, participants also had a more measured response which noted the small number of properties impacted and considered this less of a priority on that basis. The potential cost of resolving this issue was also factored in with concerns that the cost might outweigh any benefits.

"I know that's awful but surely it is partly the responsibility of the homeowner? I don't think we know enough about it but if it is really expensive to do them I think they have to prioritise other things"
Household Customer, Aberdeen Group

- Considerations for SR27:
  Some sense of progress or alternative strategy is felt to be needed to stop any Scottish citizens living with the ongoing worry of internal sewer flooding but reducing from circa. 430 to circa. 315 is not the answer.

6.3 Managing Rainwater

Reducing Outdoor Floods

Choice scenarios tested were: Turquoise, Aqua and Cobalt = reducing the number of outdoor floods caused by sewers from 3,000 to 2,800.

Reducing sewer overflows was believed to be of paramount importance with progress felt to be essential to protect local areas and the environment. There was some frustration that even the Cobalt investment scenario would only reduce the number of outdoor floods by two hundred.

"I mean 200 in the scheme of things when we're talking about floods and things and sewers over that just is so minimal. And it just doesn't seem like a big improvement I'd be looking for, I mean, at least a thousand, at least a thousand seems a good number, whereas 200 just seems like a drop in the ocean."

Intergen Customer

Working in Partnership with Local Authorities

For participants, collaboration was seen as important but some participants expressed a lack of trust in the performance of Local Authorities and their role, commitment and investment.

"In this one (Turquoise) they are basically saying they are chatting with the local authority and that's it"

Household Customer, Aberdeen Group

Preventing Rainwater from Entering Sewers

The need for this plan was clearly understood with participants referencing the high levels of rainfall in Scotland. Some participants praised the idea of nature-based solutions, particularly those with an environmental interest.

However, the focus on Edinburgh, Glasgow and Dundee was very divisive, particularly for Remote/Rural customers. There was a belief that investment is too often concentrated on the Central Belt to the detriment of other areas in Scotland, especially rural areas.

"But the money getting spent in the first instance, in only three flood areas, which are all Central Belt? Nothing north of Dundee. What about the floods in Aberdeen and Aberdeenshire? What about the people cut off from amenities because of waste water flooding, because of heavy rainfalls."

NHH Customer

"What tends to happen up here in Scotland is that they seem to think there are only two places in Scotland, Edinburgh and Glasgow, and they get everything given to them"

Medically Vulnerable Customer

- Considerations for SR27:
  Not all are convinced the rate of reducing sewer floods is fast enough (200/120); customers are looking for a fairer approach to rainwater projects across a spread of local authority areas.

6.4 Repairing and Replacing Assets

Maintaining Pipes and Treatment Works

The research revealed strong concerns among participants regarding spending less on areas they consider fundamental, particularly in light of the challenges discussed during the webinar.

Even the proposal in the Cobalt scenario to maintain current spending levels (without an increase) raised concerns. Participants felt that maintaining spending at the same level as before might not be sufficient to address the growing scale of challenges highlighted in the webinar.

Replacing Old Pipes

This was viewed as a critical area of investment where being proactive was required to minimise bursts and future service disruption. Any increase in bursts was considered negative and doubling bursts, as envisioned in the Turquoise scenario, felt ‘outrageous’ and risky for future service quality. There was a belief that lack of investment in this area would reduce confidence in Scottish Water.

“This is negative, because if you're just bubbling along without recognising aging assets, maintaining what's already there, you're going to get a bigger shock down the line. To have a 25% increase based on status quo, so then you're going to have to deal with that.”
Household Customer, Edinburgh Group

“It’s not acceptable to say there will be double the amount of bursts”
Remote/Rural Customer

- Considerations for SR27:
  Need to see fastest progress here – this is a critical area of investment and want to see proactive investment in pipework to minimise bursts.

7 Responses to High Level Investment Scenarios

7.1 Investment Scenario Introduction

During the groups and individual interviews, three high level scenarios were shared and explored with customers as a starting point for understanding more about choices.

To consistently unpick the different choices, the medium pace plan, Aqua, was shown to participants first and the slower and faster scenarios were then rotated to avoid any order bias. Participants were not told that Aqua represented a middle tier plan, nor were the plans numbered one to three. Instead, colour coding was used to differentiate the plans to reduce participant bias when viewing the scenarios.

7.2 Cost Scenarios

Furthermore, an approximation of current charges based on Council Tax band for household and bill size for non-household were provided as an anchor point to evaluate the increased potential bill impacts associated with each high-level investment scenario.

An example for household customers is shown below:

Figure 13: Approximate charging implications for household customers

Scenario AQUA: Slide 9b

What an increase could look like on your bills between 2027 and 2033

Example: Council Band A (no discount)
- Households would pay on average **£18** more than they did the year before, every year between 2027 and 2033
- By 2033, households would be paying **£107** more per year, than they did in 2027

The increases below are based in 'real terms'. They are presented in terms of value of money today, as we don't know what will happen with future inflation.

Council Tax Band	No Discount		Single Person 25% Discount		Full Discount 35%	
	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027
A	£18	£107	£13	£80	£12	£69
B	£21	£124	£16	£93	£13	£81
C	£24	£142	£18	£107	£15	£92
D	£27	£160	£20	£120	£17	£104
E	£33	£195	£24	£146	£21	£127
F	£38	£231	£29	£173	£25	£150
G	£44	£266	£33	£200	£29	£173
H	£53	£320	£40	£240	£35	£208

Participants were not keen for bill rises, particularly given the context of the 'cost of living' crisis. However, they were not surprised by the idea of bill rises and there was a sense that the rises were affordable and justified given the investment that is required in the network. In comparison with other bills, especially energy bills, water charges were viewed as low cost and good value for money.

Across the sample, customers wanted to feel that the bill increases delivered good value for money. This is difficult to measure qualitatively but none of the scenarios were seen to deliver value for money and offer an acceptable increase for acceptable outcomes.

- **Considerations for SR27:**
  To accept any impact on water charges, customers need to see significant progress, pace and demonstrable infrastructure investment within the SR27. Despite being the lowest impact on water charges, Turquoise outcomes are poor and risk service decline.

7.3 Qualitative Preferences[11]

The table below provides a high-level summary of customer preferences, with the following sections reflecting the key themes and insights gathered throughout the research. These preferences have been explored in greater depth within the segment summaries in the previous chapter.

As this is a qualitative study, the findings should be interpreted as indicative rather than statistically representative of the broader population. The insights presented here capture common themes and sentiments expressed by participants but do not constitute a definitive or universally applicable view.

Segment	Turquoise	Aqua	Cobalt	Undecided	Total
Urban/Suburban Bill Payer	0	7	49	0	**56**
Remote/ Rural Bill Payer	0	6	0	2	**8**
Future	0	0	16	1	**17**
CIVS	1	1	4	0	**6**
Intergen	0	3	3	0	**6**
Water Only	0	1	7	0	**8**
NHH – Large	0	3	1	0	**4**
NHH – SME	0	14	4	4	**22**
Total	**1**	**35**	**84**	**7**	**127**

[11] The findings are based on this qualitative sample and are not statistically representative of the wider population.

7.4 Overall Response to Scenarios: Turquoise

Customers in the qualitative sample rejected Turquoise.

Only one participant, a financially vulnerable customer, chose the Turquoise scenario. For other participants, Turquoise was seen as regressive, short-sighted and lacking in progress. It failed to address the spontaneous expectations and the known challenges and there was a sense that it would make things worse. Lack of progress on sewer flooding and burst pipes was believed to be particularly negative.

"It's not doing things slower. It's not doing anything at all."
Remote/Rural Customer

"Not really anything good about this one. There's not going to be many changes and realistically, the cost will go up by each year. But I just feel that's basically trying to sweep it under the rug and it doesn't sound very good at all."
Medically Vulnerable Customer

The outcomes of Turquoise were seen as poor and with the risk of supply interruptions and waste water spills it is likely to be reputationally damaging, eroding brand goodwill and burdening future generations. The idea of charging a CPI +2% increase for this scenario was considered to be 'confusing', 'cheeky' and 'immoral'. Ultimately, participants wanted faster progress and demonstratable infrastructure investment in SR27 and felt Turquoise would not deliver this.

"There could be greater cost implications via the lack of investment or progression in improving some of these facilities areas. This would probably be one I wouldn't be as amenable to. I'd probably prefer that increase in cost."
NHH Customer

"This bothers me. I imagine it's going to be followed by well, it only cost 20 pound per person. And I'd be like, yeah, well, we're not doing anything like it's not doing anything"
Financially vulnerable

- Considerations for SR27:
  Strong consensus that slower pace and lack of investment creates risk of supply interruptions/poor quality/ waste water spills; likely to be reputationally damaging, erode any brand goodwill and burden future generations.

7.5 Overall Response to Scenarios: Aqua

Customers in the qualitative sample very reluctant to endorse Aqua.

Thirty-five participants chose the Aqua scenario with many of them rural/remote or non-household customers. There were also 7 participants who could not decide between Aqua and Cobalt. Aqua was primarily chosen by participants who felt the costs of Cobalt were unaffordable.

Aqua was viewed as relatively disappointing and unambitious, focusing on short-term maintenance rather than longer-term improvements. There was an assumption amongst some participants that Aqua was the slowest or lowest cost scenario since it was shown before Turquoise. Participants expressed concern that Aqua would result in infrastructure decline and not meet basic expectations or the challenges highlighted during the webinar.

"I can't say it fills me with warm and fuzzy feelings. To be honest."
Rural/Remote Customer

"I was just going to say that's kind of like a chief executive's dream, because if you look at the time a chief executive's typically in power, they're going to maintain the status quo. By the time you have all these problems, they've typically moved on to another role."
Household Customer, Edinburgh Group

Key concerns included:

- Spending less than now on asset maintenance
- Bursts increasing by a quarter
- No strategy for internal sewer flooding
- Lack of trust in 'Local Authority'

"And you're asking us to be mindful of our usage but 25% of the water is being leaked out. It's like, doesn't matter how mindful we're being, it sounds like a lot of waste is happening"
NHH Customer

- Considerations for SR27:
  In isolation (without seeing any other business as usual elements), Aqua does not feel as though it's delivering good value for money at CPI +4% but about a third of the qualitative sample, reluctantly accept this to avoid the CPI +6.5% charging impact associated with Cobalt. For SR27 outcomes need to be better for CPI +4% charging impact.

7.6 Overall Response to Scenarios: Cobalt

Customers in the qualitative sample endorse Cobalt, but reluctantly.

Eighty-four participants selected Cobalt as their preferred scenario, more than double the number who chose the next most popular scenario Aqua.

Cobalt received the support of most urban and suburban billpayers, future customers, water only customers, medically vulnerable customers and even financially vulnerable customers although they are in receipt of discounts which made Cobalt a more affordable option.

Cobalt was described as the most positive and ambitious scenario, most able to address long-term challenges that risk future service problems such as climate change, flooding and population growth.

"Gives reassurance and reliability, and that trust within from Scottish water to see that, you know, we're going to be proactive."
Remote/Rural Customer

Key drivers of its appeal were:

- Protecting citizens and communities
- Preventing environmental damage
- Continuing spend of asset repair and replacement
- Ensuring bursts are the same level as today
- Reducing Internal Sewer Flooding in a way the other two scenarios do not
- Reducing leakage which is wasteful
- Introduction of treatment works for 900,000 customers, considered a significant number and a tangible benefit.

"Because it does the most, it improves the most and creates positive change. Some of the things are staying the same but at least they're not getting worse."
Water Only Customer

"I just feel that there's more change in this. You can see the effort that's getting put in and what's expected, and it will make changes in the future. I just feel if you're going to do something, go in and do it. There's no point in doing half measures"
Medically Vulnerable

Some participants were not convinced the outcomes were good enough to justify the cost increase. Other key concerns were:

- Focus on Central Belt cities for the nature-based solutions for flooding
- Maintain spending on repairing and replacing assets rather than increasing spend
- No improvement in rate of bursts

"I think we have to go with this because it is using more positive language, but I would really like them to go further in some areas and to think again about those areas they are focusing on with the sewer flooding"

Rural/Remote Customer

- Considerations for SR27:
- Despite believable Cobalt ambition, a CPI +6.5% increase was felt to be an unaffordable increase for about third of sample (HH and NHH) when evaluating the charging increase, in the round, with all other bills.

7.7 Observations on Charging Impacts

Despite participants being reluctant to see bills increasing at a challenging time they were not surprised and were largely willing to see small increases providing they addressed the long-term challenges and preserved the quality of service.

Furthermore, water bills were considered low cost and good value for money especially when compared to other bills.

"I'm quite happy to pay more to at least maintain where we are today, and we're used to it with everything else going up."
Medically Vulnerable Customer

For some participants, the charging impacts were considered affordable because they felt they could not predict their financial situation and the impact of inflation in seven years.

The amounts felt to be affordable when broken down to a monthly figure.

"That's not even a Starbucks coffee that is, I feel like I'd much rather pay the highest cost"
Water Only Customer

Most participants felt the increases were reasonable for the following reasons:

- Promised improvements to infrastructure
- 'Not for Profit' status of Scottish Water
- Understanding of challenges
- Ageing assets
- Fear of becoming like England
- Appetite to future proof and protect service
- Relatively low starting point compared to energy bills.

"I'm just being blatantly honest here to have a less increase, but a less job done that is actually going to cost more in the future. It's a no brainer invest now before it becomes a major problem. There's an old saying, Buy cheap, buy twice."
NHH Customer

- Considerations for SR27:
  Willingness to pay work and acceptability testing of the development plan is needed to explore charging impacts within the context of the wider business plan.

7.8 Charging Impacts: Affordable/Reasonable

In terms of the individual investment scenarios, Turquoise was considered affordable for all customers in the household and non household sample. However, the CPI +2% was seen as unreasonable for the perceived regressive investment outcomes outlined in this scenario.

"I can afford this. But do I want to pay it? No. I'm not getting anything that I want for this money and we're paying to go backwards"
Household Customer, Aberdeen Group

A significant number of participants felt Aqua was affordable but there were mixed outcomes about whether this was reasonable, given the poor outcomes, lack of ambition and a perception that it does not represent good value for money.

"I want to see more for the money I'm going to be paying. This doesn't feel like it's giving me what I want or the environment needs"
Household customer, Edinburgh Group

Finally, Cobalt was felt to be affordable for approximately two thirds of the qualitative sample, and unaffordable for a third.

"It is the best level for everything included. It's the best value for money. It's the best investment in the future as well."
Water Only

"This plan looks more interesting but not affordable
Financially Vulnerable

"To be honest, I think all of the offerings are pretty disappointing. I feel like Cobalt would obviously be the ideal scenario, but I think for the price. It's just astronomical, like I just, I'm in a bit of disbelief that to do those things it would cost that much like just to put into perspective, my water would be 80 pounds a month in 2033, whereas my current gas and electric is less than 75 pounds a month."
Rural/Remote Customer

There was a mixed response as to whether the increase was felt to be reasonable. The outcomes were seen as better but for some these didn't justify the cost increase or not good enough given the scale of the challenges.

- Considerations for SR27:
  From this indicative qualitative work, CPI +4% feels affordable for a significant number of the qualitative participants (both NHH and HH customers) providing there are protections in place for the most vulnerable in society and that businesses are supported to explore water efficient practices.

8 Overall Summary

8.1 Turquoise

- **Rejected**

- Water/wastewater is a critical service, and customers want to see Scottish Water proactively making investment into infrastructure at a speed that avoids a decline in service levels (like England) ***and*** ideally future proofs the network against known longer term challenges

- Although no one wants to see water charges increase, many accept that water costs are low relative to other utilities and that investment is needed

- The slower pace scenario (TURQUOISE) was rejected as:

  - the outcomes were poor
  - it creates risk of supply interruptions, waste water spills, etc
  - is likely to be reputationally damaging and erode any brand goodwill; and
  - will burden future generations

- The idea of charging CPI +2% increase for this scenario was 'confusing', 'cheeky' and 'immoral' and customers demand progress, pace and demonstrable infrastructure investment in SR27.

8.2 Aqua

- **Very reluctantly endorsed**[12]

- The medium pace scenario (AQUA) was felt to be:

  - disappointing and unambitious
  - it fails to address long term challenges, meet basic expectations and allows infrastructure to decline

- In isolation (without seeing any other business as usual elements), it does not feel like it is delivering good VFM at CPI +4% but about a third of the qualitative sample, reluctantly accept this to avoid the CPI +6.5% charging impact associated with COBALT

---

[12] The term "endorsed" has been used as an overarching summary of customers' views. This reflects the extended nature of the research process, during which participants were given the time and space to build their understanding of the water sector and the challenges faced by Scottish Water

- For SR27 business plan development, outcomes need to be better for CPI +4% charging impact.

8.3 Cobalt

- **Endorsed, but reluctantly** [13]
- The fastest pace scenario (COBALT) was seen as:
  - more positive
  - more ambitious; and
  - appeared to address longer term challenges that would reduce the risk of future service problems
- However, many were not convinced outcomes were good enough progress for the proposed CPI +6.5% charging impact
- It does focus on:
  - maintaining ageing infrastructure
  - faster repair/replacement of assets
  - positively impacts leakage; and
  - includes projects to reduce sewer floods and modernizes treatment works
- However, for many it does not feel as though it is offering good value if:
  - the promise for the critical areas of 'repairing/replacing assets' is just maintaining spending the 'same as now' with no improvement in bursts
  - city focus; and
  - high percentage increase (CPI +6.5%).

[13] The term "endorsed" has been used as an overarching summary of customers' views. This reflects the extended nature of the research process, during which participants were given the time and space to build their understanding of the water sector and the challenges faced by Scottish Water

APPENDICES

Appendix A

Recruitment Screeners

Face to Face Events:

Quotas/group structure – INTERVIEWER SECTION

Edinburgh (32 participants) – MONDAY 13th JANUARY

Customer Type	Broad SEG/Lifestage	Additional Recruitment Criteria	Incentive
Bill Payers	8 x ABC1 (18years old or older) 8 x C2DE (18 years old or older)	Range of environmental attitudes Include 5 per session who use rivers/seas for recreation	£125 workshop £60 homework & webinar
Future Customers	8 x 18 years old to 24 years old		
Vulnerable Customers	8 x low income, disability, digitally excluded		

Aberdeen (32 HH participants) – TUESDAY 14th JANUARY

Customer Type	Broad SEG/Lifestage	Additional Recruitment Criteria	Incentive
Bill Payers	8 x ABC1 (25 years old to 65 years old) 8 x C2DE (25 years old to 65 years old)	Range of environmental attitudes Include 5 per session who use rivers/seas for recreation	£125 workshop £60 homework & webinar
Future Customers	8 x 18 years old to 24 years old		
Vulnerable Customers	8 x low income, disability, digitally excluded		

Good morning/afternoon/evening. My name is .... and I am contacting you on behalf of Accent, a market research company. Please could I speak to someone in your household who is 18 years old or older?

- IF “NO” TRY AND PERSUADE ELSE THANK & CLOSE
- IF “CALL BACK” PLEASE RECORD DATE AND TIME OF APPOINTMENT ON ACCIS, THANK AND CLOSE
- IF “YES” PLEASE PROCEED TO SCREENING SECTION

WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH SCREENING

Introduction

We are carrying out research for Scottish Water into their future business plans. This is an important research study and is an opportunity for customers like you to input into the investment decisions Scottish Water makes in water and wastewater services for customers across Scotland. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence

The research will have three stages:

- **First stage:** an homework task that can be completed online or on paper depending on your preference.

- **Second stage:** Attendance at an online webinar to give you information on the water industry, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third stage:** participation at an in-person discussion group together with other customers. This will last for 3 hours and will be held in a central venue on:

Anyone able to assist will be provided with £185 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £125 for attending the face-to-face workshop. All participants will need to commit to participating in all three phases of the project.

Can I just ask you a few questions to check that you are eligible to take part in this research?

Safety and Looking After Your Data

Q1. INTCHECK. **INTERVIEWER**: PLEASE CONFIRM YOU HAVE ADVISED THE PARTICIPANT OF:
MRS Code of Conduct
Calls being recorded

Q2. INTCHECK2. **INTERVIEWER:** PLEASE CONFIRM YOU HAVE ASKED AND CHECKED THAT THE PARTICIPANT IS **NOT** TAKING THE INTERVIEW ON A MOBILE DEVICE AND/OR WHILE DRIVING OR OPERATING EQUIPMENT

Yes, it is safe for the participant to proceed
No, it isn't safe – we need to call back later GO TO APPT SCREEN

Q3. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at www.accent-mr.com/privacy/.

Do you agree to proceeding with the interview on this basis?
Yes
No **THANK & CLOSE**

Screening

Q4. Do you or any of your close family work or have worked in the recent past in the water sector or Market Research professions?

Yes **THANK & CLOSE**
No

Q5. Have you ever participated in a market research group discussion? IF YES, PROBE WHEN

Yes, in last 2 years ago
Over 2 years ago **GO TO Q8**
No **GO TO Q8**

TWO THIRDS OF RECRUITS MUST HAVE NEVER BEEN TO A GROUP DISCUSSION BEFORE

Q6. How many groups have you been to in that period?

One
2-3
More than 3 **THANK & CLOSE**

Q7. What was the subject matter of the groups you attended? PROBE AND WRITE DOWN

IF WATER THANK & CLOSE

Q8. For your water supply, does your property have:

Mains water supply
Private water supply **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q9. For your wastewater/sewerage services, does your property have –

Mains wastewater supply
Septic tank **CHECK LOCATION AND POTENTIALLY RECRUIT FOR WATER ONLY DEPTHS**
Don't know **THANK & CLOSE**

Q10. Do you live near or would you be able to travel to any of the following cities?

Aberdeen **RECRUIT FOR ABERDEEN GROUP**
Edinburgh **RECRUIT FOR EDINBURGH GROUP**
None of these **THANK & CLOSE**

Q11. Would you say you live in a...

City or large town **URBAN**
Small or medium sized town **SUBURBAN**
Village or rural area **RURAL**

RECRUIT MINIMUM 12 x URBAN AND 12 x SUBURBAN FOR EACH WORKSHOP. REST OF FALL OUT NATURALLY

Q12. Which of the following age brackets do you fall into?

UNDER 18 YEARS **THANK & CLOSE**
18 – 24 YEARS
25 – 34 YEARS
35 – 44 YEARS
45 – 54 YEARS
55 – 64 YEARS
65+

Q13. Which of the following best describes your responsibility in terms of paying your household water bills through your council tax payments?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

Q14. And are you jointly or fully responsible for your general household finances?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

BILL PAYERS:
Q12=CODES 2-7 AND Q13=CODE 1 OR 2 AND Q14=CODE 1 OR 2
AIM FOR A MIX OF AGES – AT LEAST 3 FROM EACH CODE 3-7

FUTURE CUSTOMERS:
Q12=CODE 2 AND Q13=CODE 3 AND Q14=CODE 3

THANK AND CLOSE IF:
Q12=CODES 2-7 AND Q13=CODE 3 AND Q14=CODE 3

Q15. Do you receive any discount on your council tax payments?

Yes
No **GO TO Q17**
Don't know **GO TO Q17**
Would prefer not to say **GO TO Q17**

Q16. What level of discount do you receive?

25%
50%
Other – write in:
Don't know
Prefer not to say

Q17. What is the Council Tax Band of your home address?

A
B
C
D
E
F
G
H
Exempt from Council Tax
Don't know

Q18. What is your postcode? INSERT FULL POSTCODE

Q19. Which of the following best describes your occupation status?

Senior managerial or professional
Intermediate managerial, administrative or professional
Supervisor; clerical; junior managerial, administrative or professional
Manual worker (with industry qualifications)
Manual worker (with no qualifications)
Unemployed
Retired
Student
Prefer not to say

CODE SEG

A
B
C1
C2
DE
Not stated **THANK & CLOSE**

RECRUIT MIN. 8 X ABC1 (BILL PAYERS) AND MIN. 8 X C2DE (BILL PAYERS)

Q20. Which of the following describes how you think of yourself? Please tick one option

Male
Female
In another way
Prefer not to say

AIM FOR A MIX OF GENDERS

Q21. Approximately what is your estimated annual household income before tax? If you would rather not say, then please just select that option.

Under £12,000 **CODE AS LOW INCOME**
£12,001-£18,000 **CODE AS LOW INCOME**
£18,001-£30,000
£30,001-£40,000
£40,001-£50,000
£50,001-£70,000
£70,001-£100,000
£100,001-£150,000
£150,001 or more
Don't know
Prefer not to say

RECRUIT MIN. 2 X LOW INCOME PER WORKSHOP

Q22. Do you consider yourself to have any of the following?

Long-term physical or mental health condition which affects you carrying out day to day activities **CODE AS MEDICALLY VULNERABLE**
Long-term physical or mental health condition which is not limiting **CODE AS MEDICALLY VULNERABLE**
Aa medical condition for which you need to use a lot of water **CODE AS MEDICALLY VULNERABLE**
No long-term physical or mental health condition which affect you carrying out day to day activities
Prefer not to say

RECRUIT MIN. 2 X MEDICALLY VULNERABLE PER WORKSHOP

Q23. Which of the following best describes you?

I feel very confident about using the internet
I feel quite confident about using the internet
I don't feel confident about using the internet **CODE AS DIGITALLY DISADVANTAGED**
I would rather not use the internet at all **CODE AS DIGITALLY DISADVANTAGED**
I don't have access to the internet **CODE AS DIGITALLY DISADVANTAGED**
Prefer not to answer

RECRUIT MIN. 2 X DIGITALLY DISADANTAGED PER WORKSHOP

FUTURE CUSTOMERS ONLY: Which of the following best describes your situation?

I live in student accommodation or rent privately as a student and am exempt from Council Tax
I live with parent(s)/guardian(s) and they are responsible for paying Council Tax
I live in shared accommodation and someone else is responsible for paying Council Tax
I live in rented accommodation and Council Tax is included within my rent
Other: write in:

AIM FOR A MIX

Q24. Do you live near any of the following?

Beach
River
Loch

RECORD AND AIM TO RECRUIT A MIX ACROSS THE FULL SAMPLE

Q25. To what extent do you agree with the following statement: **I enjoy spending time outdoors, in the natural** environment**.** This might be walking, hiking or rambling, simply spending time in the countryside alone or with family/friends, or any other outdoor activity, whether active or otherwise.

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree

IF PARTICIPANT ENJOYS SPENDING TIME OUTDOORS, RECORD A SUMMARY OF INTERESTS/ACTIVITIES:

RECORD AND RECRUIT A MIX OF INTEREST IN OUTDOOR PURSUITS ACROSS THE FULL SAMPLE

Q26. How worried or unworried are you about the impact of climate change or our impact on habitats and the natural environment?

Very worried
Somewhat worried
Neither worried nor unworried
Somewhat unworried
Not at all worried

RECRUIT A MX INCLUDING 4 X VERY WORRIED AND 4 X NOT AT ALL WORRIED

Q27. How important do you think it is to take the following actions to combat the impact of climate change or our impact on habitats and the natural environment?

RESPONSE SCALE: 1 = NOT AT ALL IMPORTANT/2=NOT VERY IMPORTANT/3=NEITHER UNIMPORTANT NOR IMPORTANT/4=QUITE IMPORTANT/5=VERY IMPORTANT

Reducing consumption and waste
Recycling / re-using waste
Reducing the amount of electricity / gas / water used

Avoiding flying / air travel
Walking, cycling or taking public transport wherever possible
Owning an electric, rather than petrol/diesel vehicle
Eating vegetarian / vegan food

RECRUIT A MX INCLUDING 4 X NOT AT ALL IMPORTANT FOR 3 OR MORE RESPONSE CODES AND 4 X VERY IMPORTANT FOR 3 OR MORE RESPONSE

Q28. To your knowledge, have you experienced any of these problems in Scotland?

Encountered an issue with	Within past year	More than a year ago	Never	Don't know
1. Drinking water quality (e.g. taste, colour)				
2. Interruptions to the water supply				
3. Water leak close to a property				
4. Low water pressure				
5. Sewer flooding				
6. Smell from waste water treatment works				

Invitation: Group (F2F) discussion

Thank you for answering those questions. Would you be willing to attend the workshop we are holding for Scottish Water. There will be about 30 other people. The group will be held in accordance with the Code of Conduct of the Market Research Society.

Q29. The group will last around 3 hours. All participants will receive £125 to thank them for their time.

Yes **PROCEED TO PRE-TASK AND/OR DATA COLLECTION AND SHARING CONSENT**
No **THANK AND CLOSE**

ASK ALL: PRE-TASK

As mentioned there will be a short homework task to undertake before the webinar. This will be completed online through our easy-to-use webpage or you can download our dedicated app. Alternatively we can send you a paper copy of the questions. Instructions will be sent to you shortly.

All participants will also be provided with £60 to thank them for completing the homework tasks and attending the webinar.

This gives a total of £185 for completing all elements of the research.

ASK ALL: DATA COLLECTION AND SHARING CONSENT

Q30. DATA COLLECTION & SHARING CONSENT

The workshop may be joined by representatives of Scottish Water and members of their advisory group, so they can watch the discussions and learn as much from it as possible. They will not participate in the discussion.

The discussion will be audio recorded for analysis purposes and to ensure accuracy. All recordings will be securely stored for a period of 12 months (for reference purposes) before being destroyed.

The group will be held in accordance with the Code of Conduct of the Market Research Society and any views you express during the discussion will be treated with complete confidence and will not be attributed to you personally.

Please confirm that is OK

Yes **CONTINUE WITH DETAILS**
No **[Click here and type HOLD IN RESERVE or THANK AND CLOSE]**

The group will take place on:

Date	Time	Place
Monday 13th January	6pm to 9pm	Edinburgh
Tuesday 14th January	6pm to 9pm	Aberdeen

Would you be able to attend? reassure & persuade
IF PARTICIPANT AGREES, CONFIRM DATE, TIME, LOCATION THEN CONTINUE

Please ensure that you bring some proof of identity with you (such as a driving licence, credit card, utility bill or passport) as we will need to see that in order to issue you with the thank you incentive. Please note this will be paid by BACs on completion of the face-to-face workshop.

Thank you. I'll just take a few details, and will let you get on with your day. We will send you more information shortly with details of the next steps.

If for any reason you find you are unable to attend, please could you let me know as soon as possible so that we can invite someone else to take your place?

Reconvened Groups:

Quotas/group structure – INTERVIEWER SECTION

2 x reconvened groups – 8 participants in each (16 total)

Group 1	Group 2
Bill Payer	Future Customers
Mix of SEG	Mix of in education/working
18-65 years old	18-24 years old

Introduction

Good morning/afternoon/evening. My name is .... and I am calling on behalf of Accent, a market research company. We are carrying out research for Scottish Water into their future business plan. Please could I speak to someone in your household who is 18 years or older?

- IF "NO" TRY AND PERSUADE ELSE THANK & CLOSE
- IF "CALL BACK" PLEASE RECORD DATE AND TIME OF APPOINTMENT ON ACCIS, THANK AND CLOSE
- IF "YES" PLEASE PROCEED TO SCREENING SECTION

WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH SCREENING

We are carrying out research for Scottish Water into their future business plans. This is an important research study and is an opportunity for customers like you to input into the investment decisions Scottish Water makes for water and wastewater services for customers across Scotland. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence.

The research will have three stages:

- **First stage:** a homework task that can be completed online or on paper depending on your preference.
- **Second stage:** attendance at an online webinar to give you information on water companies, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage:** participation in two online discussion groups together with other Scottish Water customers. These would last 1 hour each.

Anyone able to assist will be provided with £140 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £80 for attending both discussion groups. All participants will need to commit to participating in all phases of the project. This call may be recorded for quality control purposes.

Safety and Looking After Your Data

Q1. INTCHECK. INTERVIEWER: PLEASE CONFIRM YOU HAVE ADVISED THE PARTICIPANT OF:

MRS Code of Conduct
Calls being recorded

Q2. INTCHECK2. INTERVIEWER: PLEASE CONFIRM YOU HAVE ASKED AND CHECKED THAT THE PARTICIPANT IS **NOT** TAKING THE INTERVIEW ON A MOBILE DEVICE AND/OR WHILE DRIVING OR OPERATING EQUIPMENT

Yes, it is safe for the participant to proceed
No, it isn't safe – we need to call back later GO TO APPT SCREEN

Q3. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at www.accent-mr.com/privacy/.

Do you agree to proceeding with the interview on this basis?
Yes
No **THANK & CLOSE**

Screening

Q4. Do you or any of your close family work or have worked in the recent past in the water sector or Market Research professions?

Yes **THANK & CLOSE**
No

Have you ever participated in a market research group discussion? IF YES, PROBE WHEN

Yes, in last 2 years ago
Over 2 years ago **GO TO Q8**
No **GO TO Q8**

TWO THIRDS OF RECRUITS MUST HAVE NEVER BEEN TO A GROUP DISCUSSION BEFORE

Q5. How many groups have you been to in that period?

One
2-3
More than 3 **THANK & CLOSE**

What was the subject matter of the groups you attended? PROBE AND WRITE DOWN

If Water THANK & CLOSE

Q6. In which of the following council areas do you live in?

- Aberdeen City **THANK & CLOSE OR RECRUIT FOR F2F WORKSHOPS**
- Aberdeenshire
- Angus
- Argyll& Bute
- Clackmannanshire
- Dumfries & Galloway
- Dundee City
- East Ayrshire
- East Dunbartonshire
- East Lothian

- East Renfrewshire
- Edinburgh, City of **THANK & CLOSE OR RECRUIT FOR F2F WORKSHOPS**
- Eilean Siar
- Falkirk
- Fife
- Glasgow City **THANK & CLOSE**
- Highland
- Inverclyde
- Midlothian
- Moray
- North Ayrshire
- North Lanarkshire
- Orkney Islands
- Perth and Kinross
- Renfrewshire
- Scottish Boarders
- Shetland Islands
- South Ayrshire
- South Lanarkshire
- Stirling
- West Dunbartonshire
- Western Isles
- West Lothian
- None of these **THANK & CLOSE**

MIN 2 x TO LIVE IN WESTERN ISLES/SHETLAND ISLANDS/ORKNEY ISLANDS

Q7. Would you say you lived in…

City or large town **THANK & CLOSE UNLESS WESTERN ISLES/SHETLAND ISLANDS/ORKNEY ISLANDS**
Small or medium sized town **THANK & CLOSE WESTERN ISLES/SHETLAND ISLANDS/ORKNEY ISLANDS**
Village or rural area
Island
Don't know **THANK & CLOSE**

FOR EACH GROUP RECRUIT AT LEAST 2 x ISLAND

Q8. For your water supply, does your property have:

Mains water supply
Private water supply **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q9. For your wastewater/sewerage services, does your property have –

Mains wastewater supply
Septic tank **CHECK LOCATION AND POTENTIALLY RECRUIT FOR WATER ONLY DEPTHS**
Don't know **THANK & CLOSE**

Q10. Which of the following age brackets do you fall into?

UNDER 18 YEARS **THANK & CLOSE**
18 – 24 YEARS
25 – 34 YEARS
35 – 44 YEARS

45 – 54 YEARS
55 – 64 YEARS
65+

Q11. Which of the following best describes your responsibility in terms of paying your household water bills through your council tax payments?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

Q12. And are you jointly or fully responsible for your general household finances?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

BILL PAYERS – GROUP 1:
Q12=CODES 2-7 AND Q13=CODE 1 OR 2 AND Q14=CODE 1 OR 2. AIM FOR A MIX OF AGES

FUTURE CUSTOMERS – GROUP 2:
Q12=CODE 2 AND Q13=CODE 3 AND Q14=CODE 3

THANK AND CLOSE IF:
Q12=CODES 2-7 AND Q13=CODE 3 AND Q14=CODE 3

Q13. Do you receive any discount on your council tax payments??

Yes
No **GO TO Q17**
Don't know **GO TO Q17**
Would prefer not to say **GO TO Q17**

Q14. What level of discount do you receive?

25%
50%
Other – write in:
Don't know
Prefer not to say

Q15. What is the Council Tax Band of your home address?

A
B
C
D
E
F
G
H
Exempt from Council Tax
Don't know

Q16. What is your postcode? INSERT FULL POSTCODE

Q17. Which of the following best describes your occupation status?

Senior managerial or professional
Intermediate managerial, administrative or professional
Supervisor; clerical; junior managerial, administrative or professional
Manual worker (with industry qualifications)
Manual worker (with no qualifications)
Unemployed
Retired
Student
Prefer not to say

CODE SEG

A
B
C1
C2
DE
Not stated **THANK & CLOSE**

GROUP 1 – AIM FOR A MIX

Q18. Which of the following describes how you think of yourself? Please tick one option

Male
Female
In another way
Prefer not to say

AIM FOR A MIX OF GENDERS

Q19. Approximately what is your estimated annual household income before tax? If you would rather not say, then please just select that option.

Under £12,000 **CODE AS LOW INCOME**
£12,001-£18,000 **CODE AS LOW INCOME**
£18,001-£30,000
£30,001-£40,000
£40,001-£50,000
£50,001-£70,000
£70,001-£100,000
£100,001-£150,000
£150,001 or more
Don’t know
Prefer not to say

RECRUIT MIN. 1 X LOW INCOME FOR GROUP 1

Q20. Which of the following best describes you?

I feel very confident about using the internet
I feel quite confident about using the internet
I don’t feel confident about using the internet
I would rather not use the internet at all **THANK AND CLOSE**
I don’t have access to the internet **THANK AND CLOSE**
Prefer not to answer **THANK AND CLOSE**

FUTURE CUSTOMERS ONLY: Which of the following best describes your situation?

I live in student accommodation or rent privately as a student and am exempt from Council Tax
I live with parent(s)/guardian(s) and they are responsible for paying Council Tax
I live in shared accommodation and someone else is responsible for paying Council Tax
I live in rented accommodation and Council Tax is included within my rent
Other: write in:

AIM FOR A MIX

Q21. Do you live near any of the following?

Beach
River
Loch

RECORD AND AIM TO RECRUIT A MIX ACROSS THE FULL SAMPLE

Q22. To what extent do you agree with the following statement: **I enjoy spending time outdoors, in the natural** environment**.** This might be walking, hiking or rambling, simply spending time in the countryside alone or with family/friends, or any other outdoor activity, whether active or otherwise.

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree

IF PARTICIPANT ENJOYS SPENDING TIME OUTDOORS, RECORD A SUMMARY OF INTERESTS/ACTIVITIES:

RECORD AND RECRUIT A MIX OF INTEREST IN OUTDOOR PURSUITS ACROSS THE FULL SAMPLE

Q23. How worried or unworried are you about the impact of climate change or our impact on habitats and the natural environment?

Very worried
Somewhat worried
Neither worried nor unworried
Somewhat unworried
Not at all worried

RECRUIT A MX INCLUDING 4 X VERY WORRIED AND 4 X NOT AT ALL WORRIED

Q24. How important do you think it is to take the following actions to combat the impact of climate change or our impact on habitats and the natural environment?

RESPONSE SCALE: 1 = NOT AT ALL IMPORTANT/2=NOT VERY IMPORTANT/3=NEITHER UNIMPORTANT NOR IMPORTANT/4=QUITE IMPORTANT/5=VERY IMPORTANT

Reducing consumption and waste
Recycling / re-using waste
Reducing the amount of electricity / gas / water used
Avoiding flying / air travel
Walking, cycling or taking public transport wherever possible
Owning an electric, rather than petrol/diesel vehicle
Eating vegetarian / vegan food

RECRUIT A MX INCLUDING 4 X NOT AT ALL IMPORTANT FOR 3 OR MORE RESPONSE CODES AND 4 X VERY IMPORTANT FOR 3 OR MORE RESPONSE

Q25. To your knowledge, have you experienced any of these problems in Scotland?

Encountered an issue with	Within past year	More than a year ago	Never	Don't know
7. Drinking water quality (e.g. taste, colour)				
8. Interruptions to the water supply				
9. Water leak close to a property				
10. Low water pressure				
11. Sewer flooding				
12. Smell from waste water treatment works				

Invitation: Group (Zoom) discussion

Q26. Thank you for answering those questions. Would you be willing to take part in this research project for Scottish Water. As a reminder there will be three stages:

- **First stage:** an online homework task that can be completed online or on paper depending on your preference.
- **Second stage:** Attendance at an online webinar to give you information on water companies, particularly Scottish Water, their regulators and their business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage:** Two online discussion groups together with other Scottish Water customers. These would last 1 hour each.

Anyone able to assist will be provided with £140 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £80 for attending both discussion groups. All participants will need to commit to participating in all phases of the project.

Would you be willing to take part?

Yes **PROCEED TO PRE-TASK AND/OR DATA COLLECTION AND SHARING CONSENT**
No **THANK AND CLOSE**

ASK ALL: PRE-TASK

As mentioned there will be a short homework task to undertake before the webinar. This will be completed online through our easy-to-use webpage or you can download our dedicated app. Instructions will be emailed to you shortly.

ASK ALL: DATA COLLECTION AND SHARING CONSENT

DATA COLLECTION & SHARING CONSENT

The Zoom groups may be joined by representatives of Scottish Water, so they can watch the discussion and learn as much from it as possible. They will not participate in the discussion. All recordings will be securely stored for a period of 12 months (for reference purposes) before being destroyed.

The video footage from the Zoom groups may also be passed to Scottish Water, so that any team members not able to view the live sessions can view the recordings after the event(s).

Please confirm that is OK

Yes **CONTINUE WITH DETAILS**
No **[Click here and type HOLD IN RESERVE or THANK AND CLOSE]**

The online groups will take place on:

Date	Time	Place
Future customers: Session 1: 16th January	6pm	Zoom
Bill payers: Session 1: 16th January	7.15pm	Zoom
Future customers: Session 2: 22nd January	6pm	Zoom
Bill payers: Session 1: 22nd January	7.15pm	Zoom

Intergenerational Groups:

Quotas/group structure – INTERVIEWER SECTION

2 intergenerational groups – approx. 4 participants in each (8 total)

- 3 generations at each session (grandparent(s), parent(s), grandchildren)
- At least one bill payer per household
- Minimum 3 members to participate in family interview **(grandparent, parent & child)**

Customer Type	Broad SEG/Lifestage	Additional Recruitment Criteria	Incentive
Grandparents	Min. 1 group with BC1 (middle generation) Min. 1 group with C2D (middle generation)	Mix of locations	£60 each group £60 each homework & webinar
Parents			
Children	Aged 16-22		

Introduction

Good morning/afternoon/evening. My name is .... and I am calling on behalf of Accent, a market research company. We are carrying out research for Scottish Water into their future business plan. Please could I speak to someone in your household who is 18 years old or older?

- IF "NO" TRY AND PERSUADE ELSE THANK & CLOSE
- IF "CALL BACK" PLEASE RECORD DATE AND TIME OF APPOINTMENT ON ACCIS, THANK AND CLOSE
- IF "YES" PLEASE PROCEED TO SCREENING SECTION

WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH SCREENING

We are carrying out research for Scottish Water into their future business plans. This is an important research study and is an opportunity for customers like you to input into the investments Scottish Water makes to water and wastewater services for customers across Scotland. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence.

The research will have three stages:

- **First stage:** an homework task that can be completed online or on paper depending on your preference.
- **Second stage:** attendance at an online webinar to give you information on the water industry, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage**: participation in group with your family that will take part online via Zoom lasting around 75 minutes at a time convenient to you and your family. We're particularly looking to speak to families with multiple generations that include grandparents, parents and young adults or older teenage children. Not everyone has to live in the same household but all have to live in Scotland.

Anyone able to assist will be provided with £120 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £60 for attending family discussion group. All participants will need to commit to participating in all phases of the project.

Safety and Looking After Your Data

Q1. INTCHECK. **INTERVIEWER**: PLEASE CONFIRM YOU HAVE ADVISED THE PARTICIPANT OF:
MRS Code of Conduct
Calls being recorded

Q2. INTCHECK2. **INTERVIEWER:** PLEASE CONFIRM YOU HAVE ASKED AND CHECKED THAT THE PARTICIPANT IS **NOT** TAKING THE INTERVIEW ON A MOBILE DEVICE AND/OR WHILE DRIVING OR OPERATING EQUIPMENT

Yes, it is safe for the participant to proceed
No, it isn't safe – we need to call back later GO TO APPT SCREEN

Q3. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at www.accent-mr.com/privacy/.

Do you agree to proceeding with the interview on this basis?
Yes
No **THANK & CLOSE**

Screening

Q4. Do you or any of your close family work or have worked in the recent past in the water sector or Market Research professions?
Yes **THANK & CLOSE**
No

Have you ever participated in a market research group discussion? IF YES, PROBE WHEN

Yes, in last 2 years ago
Over 2 years ago **GO TO Q8**
No **GO TO Q8**

TWO THIRDS OF RECRUITS MUST HAVE NEVER BEEN TO A GROUP DISCUSSION BEFORE

Q5. How many groups have you been to in that period?

One
2-3
More than 3 **THANK & CLOSE**

What was the subject matter of the groups you attended? PROBE AND WRITE DOWN

If Water THANK & CLOSE

Q6. In which of the following council areas do you live in?

- Aberdeen City **THANK & CLOSE OR RECRUIT FOR F2F WORKSHOPS**
- Aberdeenshire
- Angus
- Argyll& Bute
- Clackmannanshire
- Dumfries & Galloway
- Dundee City
- East Ayrshire
- East Dunbartonshire
- East Lothian
- East Renfrewshire
- Edinburgh, City of **THANK & CLOSE OR RECRUIT FOR F2F WORKSHOPS**
- Eilean Siar
- Falkirk
- Fife
- Glasgow City **THANK & CLOSE**
- Highland
- Inverclyde
- Midlothian
- Moray
- North Ayrshire
- North Lanarkshire
- Orkney Islands
- Perth and Kinross
- Renfrewshire
- Scottish Boarders
- Shetland Islands
- South Ayrshire
- South Lanarkshire
- Stirling
- West Dunbartonshire
- Western Isles
- West Lothian
- None of these **THANK & CLOSE**

AIM FOR A MIX OF LOCATIONS ACROSS GROUPS

Q7. Would you say you lived in…

City or large town
Small or medium sized town
Village or rural area
Island
Don't know **THANK & CLOSE**

AIM FOR A MIX OF LOCATIONS ACROSS GROUPS

Q8. For your water supply, does your property have:

Mains water supply
Private water supply **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q9. For your wastewater/sewerage services, does your property have –

Mains wastewater supply
Septic tank **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q10. Which of the following age brackets do you fall into?

UNDER 18 YEARS **THANK & CLOSE**
18 – 24 YEARS
25 – 34 YEARS
35 – 44 YEARS
45 – 54 YEARS
55 – 64 YEARS
65+

Q11. Which of the following best describes your responsibility in terms of paying your household water bills through your council tax payments?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

Q12. And are you jointly or fully responsible for your general household finances?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

ALL MIDDLE GENERATION:
Q12=CODES 2-7 AND Q13=CODE 1 OR 2 AND Q14=CODE 1 OR 2. AIM FOR A MIX OF AGES

Q13. Do you receive any discount on your council tax payments??

Yes
No **GO TO Q17**
Don't know **GO TO Q17**
Would prefer not to say **GO TO Q17**

Q14. What level of discount do you receive?

25%
50%
Other – write in:
Don't know
Prefer not to say

Q15. What is the Council Tax Band of your home address?

A
B
C
D
E
F
G
H
Exempt from Council Tax
Don't know

Q16. What is your postcode? INSERT FULL POSTCODE

Q17. Including yourself, how many people in your immediate family group do you think will be able to take part in the research. As a reminder all participants must live in Scotland and parents/ grandparents must pay Council Tax. Please state the number of parents, grandparents and children:

	Record number of participants here	**Record age of participants here**
Grandparents		
Parents		
Children (between 16 and 22 years old)		

CHECK QUOTA: 3 GENERATIONS AT EACH SESSION (GRANDPARENT(S), PARENT(S), GRANDCHILDREN)

MINIMUM 3 MEMBERS TO PARTICIPATE IN FAMILY INTERVIEW (GRANDPARENT, PARENT & CHILD)

Q18. Which of the following best describes your occupation status?

Senior managerial or professional
Intermediate managerial, administrative or professional
Supervisor; clerical; junior managerial, administrative or professional
Manual worker (with industry qualifications)
Manual worker (with no qualifications)
Unemployed
Retired
Student
Prefer not to say **THANK & CLOSE**

CODE SEG

A
B
C1
C2
DE
Not stated **THANK & CLOSE**

1 GROUP WITH ABC1 (MIDDLE GENERATION)
1 GROUP WITH C2DE (MIDDLE GENERATION)

Q19. Do you live near any of the following?

Beach
River
Loch

RECORD AND AIM TO RECRUIT A MIX ACROSS THE FULL SAMPLE

Q20. To what extent do you agree with the following statement: **I enjoy spending time outdoors, in the natural** environment**.** This might be walking, hiking or rambling, simply spending time in the countryside alone or with family/friends, or any other outdoor activity, whether active or otherwise.

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree

IF PARTICIPANT ENJOYS SPENDING TIME OUTDOORS, RECORD A SUMMARY OF INTERESTS/ACTIVITIES:

RECORD AND RECRUIT A MIX OF INTEREST IN OUTDOOR PURSUITS ACROSS THE FULL SAMPLE

Q21. How worried or unworried are you about the impact of climate change or our impact on habitats and the natural environment?

Very worried
Somewhat worried
Neither worried nor unworried
Somewhat unworried
Not at all worried

RECRUIT A MX INCLUDING 4 X VERY WORRIED AND 4 X NOT AT ALL WORRIED

Q22. How important do you think it is to take the following actions to combat the impact of climate change or our impact on habitats and the natural environment?

RESPONSE SCALE: 1 = NOT AT ALL IMPORTANT/2=NOT VERY IMPORTANT/3=NEITHER UNIMPORTANT NOR IMPORTANT/4=QUITE IMPORTANT/5=VERY IMPORTANT

Reducing consumption and waste
Recycling / re-using waste
Reducing the amount of electricity / gas / water used
Avoiding flying / air travel
Walking, cycling or taking public transport wherever possible
Owning an electric, rather than petrol/diesel vehicle
Eating vegetarian / vegan food

RECRUIT A MX INCLUDING 4 X NOT AT ALL IMPORTANT FOR 3 OR MORE RESPONSE CODES AND 4 X VERY IMPORTANT FOR 3 OR MORE RESPONSE

Q23. To your knowledge, have you experienced any of these problems in Scotland?

Encountered an issue with	Within past year	More than a year ago	Never	Don't know
Drinking water quality (e.g. taste, colour)				
Interruptions to the water supply				
Water leak close to a property				
Low water pressure				
Sewer flooding				
Smell from waste water treatment works				

Invitation: Group (Zoom) discussion

Thank you for answering those questions. Would you be willing to take part in this research project for Scottish Water. As a reminder there will be three stages:

- **First stage:** an homework task that can be completed online or on paper depending on your preference.
- **Second stage:** Attendance at an online webinar to give you information on the water industry, particularly Scottish Water, their regulators and their business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage**: participation in group with your family that will take part online via Zoom lasting around 75 minutes at a time convenient to you and your family. You do not have to be in the same location, you'll be able to join the Zoom session from different locations.

All family members who participate will be provided with £120 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £60 for attending online group. All participants will need to commit to participating in all phases of the project.

Q24. Would you be willing to take part?

Yes **PROCEED TO PRE-TASK AND/OR DATA COLLECTION AND SHARING CONSENT**
No **THANK AND CLOSE**

Q25. Ensure participation has agreement from all family members. Recontact if more time needed:

Yes **ALL FAMILY MEMBERS ARE CONFIRMED**
No **MORE TIME NEEDED – ARRANGE A RECONTACT DAY/TIME**

ASK ALL: PRE-TASK

As mentioned there will be a short homework task that all family members participating will need to undertake before the webinar. This will be completed online through our easy-to-use webpage or you can download our dedicated app. Instructions will be emailed to you shortly.

ASK ALL: DATA COLLECTION AND SHARING CONSENT

The Zoom groups may be joined by representatives of Scottish Water, so they can watch the discussion and learn as much from it as possible. They will not participate in the discussion.

The Zoom groups will be video recorded, to ensure accuracy and for analysis purposes. All recordings will be securely stored for a period of 12 months (for reference purposes) before being destroyed.

The video footage from the Zoom groups may also be passed to Scottish Water, so that any team members not able to view the live sessions can view the recordings after the event(s).

Q26. Please confirm that is OK

Yes **CONTINUE WITH DETAILS**
No **HOLD IN RESERVE**

The intergenerational group will take place in mid January at a time to suit you and the rest of your family.

The online groups will take place on:

Family Group No	**Event Date**	**Group** Time **(75 MINS)**	**QUOTAS/SEGMENT TYPE** **Participant Criteria**	**Recruits Required**
1	Tuesday, 28-Jan-25	6pm or 630pm	**Intergenerational Family**	**Min 1 Grandparent** **Min 1 Parent** **Min 1 Child 16-22**
2	Tuesday, 28-Jan-25	Anytime between 6pm and 8pm	**Intergenerational Family**	**Min 1 Grandparent** **Min 1 Parent** **Min 1 Child 16-22**

Non-Household Groups:

Quotas/group structure – INTERVIEWER SECTION

4 groups – 6 participants in each (12 total)

Group 1	Group 2	Group 3	Group 4
High dependence on water/waste services	High dependence on water/waste services	Lower dependence on water/waste services	Lower dependence on water/waste services
Single site	Multi site	Single site	Multi site
Small and Micro Businesses/Organisations			

Introduction

Q1. Good morning/afternoon/evening. My name is .... and I am calling on behalf of Accent, a market research company. We are carrying out research for Scottish Water into their future business plan. Please could I speak to the person responsible for making key business decisions regarding the future of your organisation?

- IF “NO” TRY AND PERSUADE ELSE THANK & CLOSE
- IF “CALL BACK” PLEASE RECORD DATE AND TIME OF APPOINTMENT ON ACCIS, THANK AND CLOSE
- IF “YES” PLEASE PROCEED TO SCREENING SECTION

WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH SCREENING

We are carrying out research for Scottish Water into their future business plans. This is an important research study and is an opportunity for customers like you to input into the investments Scottish Water makes to water and wastewater services for customers across Scotland. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence.

The research will have three stages:

- **First stage:** a homework task that can be completed online or on paper depending on your preference.
- **Second stage:** attendance at an online webinar to give you information on the water sector, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage:** participation in an online discussion group together with other Scottish Water business customers. This would last 90 minutes.

Anyone able to assist will be provided with £135 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £75 for attending the discussion group. Alternatively, we can donate your incentive to charity if you would prefer. All participants will need to commit to participating in all phases of the project.

This call may be recorded for quality control purposes.

Safety and Looking After Your Data

INTCHECK. **INTERVIEWER**: PLEASE CONFIRM YOU HAVE ADVISED THE PARTICIPANT OF:

MRS Code of Conduct
Calls being recorded

INTCHECK2. **INTERVIEWER:** PLEASE CONFIRM YOU HAVE ASKED AND CHECKED THAT THE PARTICIPANT IS **NOT** TAKING THE INTERVIEW ON A MOBILE DEVICE AND/OR WHILE DRIVING OR OPERATING EQUIPMENT

Yes, it is safe for the participant to proceed
No, it isn't safe – we need to call back later GO TO APPT SCREEN

Q2. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at www.accent-mr.com/privacy/.
Do you agree to proceeding with the interview on this basis?
Yes
No **THANK & CLOSE**

Screening

Q3. Do you or any of your close family work or have worked in the recent past in the water sector or Market Research professions?
Yes **THANK & CLOSE**
No

Q4. Have you participated in a market research focus group in the past 12 months?

Yes **GO TO Q7**
No **GO TO Q8**

What was the subject matter of the interview? PROBE AND WRITE DOWN

If WATER THANK & CLOSE

Q5. Which of the following best describes your responsibility in making key business decisions regarding the future of your organisation

Sole or joint responsibility
No responsibility **ASK TO DISCUSS THIS RESEARCH WITH THE APPROPRIATE DECISION MAKER AND RE-SCREEN, OTHERWISE THANK & CLOSE**
Don't know **THANK & CLOSE**

Q6. Which of the following best describes your responsibility in terms of managing your business's water and wastewater bills?

I solely or jointly manage the bills
I don't have any involvement in the bills **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q7. Who is your business's water supplier:

Bluewater
Brightwater
Business Stream
Castle Water
Clear Business
Commercial Water Solutions
Everflow
Intelligent Business Water
Pennon Water Services
Pure Utilities
SES Water
Veolia Water
Water Business
Water Plus
Wave
Don't know **THANK & CLOSE**

How much was your last water/wastewater bill? If you are not sure, please give an estimate. WRITE DOWN

Q8. For your water supply, does your business have:

Mains water supply
Private water supply **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q9. For your wastewater/sewerage services, does your business have:

Mains wastewater supply
Septic tank **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q10. In which of the following council areas does your business operate?

Aberdeen City
Aberdeenshire
Angus
Argyll& Bute
Clackmannanshire
Dumfries & Galloway
Dundee City
East Ayrshire
East Dunbartonshire
East Lothian
East Renfrewshire
Edinburgh, City of
Eilean Siar
Falkirk
Fife
Glasgow City

Highland
Inverclyde
Midlothian
Moray
North Ayrshire
North Lanarkshire
Orkney Islands
Perth and Kinross
Renfrewshire
Scottish Boarders
Shetland Islands
South Ayrshire
South Lanarkshire
Stirling
West Dunbartonshire
Western Isles
West Lothian
None of these **THANK & CLOSE**

AIM FOR A MIX OF LOCATIONS ACROSS DEPTH

What is the postcode of your business? WRITE DOWN

Q11. How many employees does your business have?

Micro-business (1-9 employees)
Small Business (10-49 employees
Medium business (50-249 employees) **RECRUIT FOR DEPTH (SEE OTHER RQ)**
Large business (250+ employees) **RECRUIT FOR DEPTH (SEE OTHER RQ)**

Q12. Does your business operate from a shared domestic premises or from a separate business property?

I have no separate business premises and operate from home THANK & CLOSE
I work in a separate business premises

Q13. Thinking about water consumption, which of the following best describes your business?

Low water consumption – for example similar to a household or office with fewer than 50 employees
Medium water consumption – for example, an office of more than 50 employees, a car wash, a large business where water is not a key component, a small farmer
High water consumption – for example, large manufacturing business, a large chemical company, large (arable) farmer
Don't know **THANK & CLOSE**

GROUPS 1 AND 2 = LOW WATER CONSUMPTION
GROUPS 3 AND 4 = MEDIUM/HIGH WATER CONSUMPTION

Q14. To what extent does your organisation rely on a river, a loch, a beach or the sea (for example businesses dependent upon tourism – e.g. an ice cream parlour by the sea – might be dependent on a beach):

This has nothing to do with my organisation

Neither / nor
My organisation relies heavily on this
Don't know

AIM FOR A MIX

Q15. How many sites in Scotland does your organisation operate from?

1
2
3
4
5-10
11-50
51-250
250+
Prefer not to say

Q16. And what business sector best defines the core activity of your organisation?

Agriculture, forestry & fishing
Mining and quarrying
Manufacturing
Construction
Utilities
Services:
Retail & Wholesale
Transport
Accommodation & food
IT & communication
Financial services
Real estate activities
Professional & technical
Admin and support
Public administration & defence
Education
Health & social care
Arts, entertainment, recreation & other services
Other services

AIM FOR A MIX

Q17. To your knowledge, has your business experienced any of these problems in Scotland within the past year?

Encountered an issue with	Within past year	More than a year ago	Never	Don't know
Drinking water quality (e.g. taste, colour)				
Interruptions to the water supply				
Water leak close to a property				
Low water pressure				
Sewer flooding				
Smell from waste water treatment works				

Invitation: Group (Zoom) discussion

Q18. Thank you for answering those questions. Would you be willing to participate in this important research for Scottish Water? There will be about five other people just like yourself. The group will be held in accordance with the Code of Conduct of the Market Research Society.
As a reminder the research will have three stages:

- **First stage:** a homework task that can be completed online or on paper depending on your preference.
- **Second stage:** attendance at an online webinar to give you information on the water industry, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage:** participation in an online discussion group together with other Scottish Water business customers. This would last 90 minutes.

Anyone able to assist will be provided with £135 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £75 for attending the discussion group. All participants will need to commit to participating in all phases of the project.

Yes **PROCEED TO PRE-TASK AND/OR DATA COLLECTION AND SHARING CONSENT**
No **THANK AND CLOSE**

ASK ALL: PRE-TASK

As mentioned there will be a short homework task to undertake before the webinar. This will be completed online through our easy-to-use webpage or you can download our dedicated app. Instructions will be emailed to you shortly.

ASK ALL: DATA COLLECTION AND SHARING CONSENT

The Zoom group may be joined by representatives of Scottish Water, so they can watch the discussion and learn as much from it as possible from it. They will not participate in the discussion.

The Zoom group will be video recorded, to ensure accuracy and for analysis purposes. All recordings will be securely stored for a period of 12 months (for reference purposes) before being destroyed.

The video footage from the Zoom group may also be passed to Scottish Water, so that any team members not able to view the live sessions can view the recordings after the event(s). Please confirm that is OK

Yes **CONTINUE WITH DETAILS**
No **[Click here and type HOLD IN RESERVE or THANK AND CLOSE]**

Non-Household Depths

Quotas/group structure – INTERVIEWER SECTION

8 depths with large business

Customer Type	Additional Recruitment Criteria	Incentive
Larger NHH	4 x Manufacturing 2 x Services 2 x Agriculture	£70 + £60

Introduction

Good morning/afternoon/evening. My name is .... and I am calling on behalf of Accent, a market research company. We are carrying out research for Scottish Water into their future business plan. Please could I speak to the person responsible for making key business decisions regarding the future of your organisation?

- IF "NO" TRY AND PERSUADE ELSE THANK & CLOSE
- IF "CALL BACK" PLEASE RECORD DATE AND TIME OF APPOINTMENT ON ACCIS, THANK AND CLOSE
- IF "YES" PLEASE PROCEED TO SCREENING SECTION

WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH SCREENING

We are carrying out research for Scottish Water into their future business plans. This is an important research study and is an opportunity for customers like you to input into the investments Scottish Water makes to water and wastewater services for customers across Scotland. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence.

The research will have three stages:

- **First stage:** an online homework task that can be completed online or on paper depending on your preference.
- **Second stage:** attendance at an online webinar to give you information on the water sector, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage**: An online depth interview. This would last 60 minutes.

Anyone able to assist will be provided with £130 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £70 for participating in the depth interview. Alternatively, we can donate your incentive to charity if you would prefer. All participants will need to commit to participating in all phases of the project.

Can I just ask you a few questions to check that you are eligible to take part in this research?

This call may be recorded for quality control purposes.

Safety and Looking After Your Data

INTCHECK. **INTERVIEWER**: PLEASE CONFIRM YOU HAVE ADVISED THE PARTICIPANT OF:

MRS Code of Conduct
Calls being recorded

INTCHECK2. **INTERVIEWER:** PLEASE CONFIRM YOU HAVE ASKED AND CHECKED THAT THE PARTICIPANT IS **NOT** TAKING THE INTERVIEW ON A MOBILE DEVICE AND/OR WHILE DRIVING OR OPERATING EQUIPMENT

Yes, it is safe for the participant to proceed
No, it isn't safe – we need to call back later GO TO APPT SCREEN

Q1. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at www.accent-mr.com/privacy/.

Do you agree to proceeding with the interview on this basis?
Yes
No **THANK & CLOSE**

Screening

Q2. Do you or any of your close family work or have worked in the recent past in the water sector or Market Research professions?
Yes **THANK & CLOSE**
No

Q3. Have you participated in a market research depth interview in the past 12 months?

Yes **GO TO 0**
No **GO TO Q4**

What was the subject matter of the interview? PROBE AND WRITE DOWN

IF WATER THANK & CLOSE

Q4. Which of the following best describes your responsibility in making key business decisions regarding the future of your organisation:

Sole or joint responsibility
No responsibility **ASK TO DISCUSS THIS RESEARCH WITH THE APPROPRIATE DECISION MAKER AND RE-SCREEN, OTHERWISE THANK & CLOSE**
Don't know **THANK & CLOSE**

Q5. Which of the following best describes your responsibility in terms of managing your business's water and wastewater bills?

I solely or jointly manage the bills
I don't have any involvement in the bills **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q6. Who is your business's water supplier:

Bluewater
Brightwater
Business Stream
Castle Water
Clear Business
Commercial Water Solutions
Everflow
Intelligent Business Water
Pennon Water Services
Pure Utilities
SES Water
Veolia Water
Water Business
Water Plus
Wave
Don't know **THANK & CLOSE**

How much was your last water/wastewater bill? If you are not sure, please give an estimate. WRITE DOWN

Q7. For your water supply, does your business have:

Mains water supply
Private water supply **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q8. For your wastewater/sewerage services, does your business have:

Mains wastewater supply
Septic tank **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q9. In which of the following council areas does your business operate?

Aberdeen City
Aberdeenshire
Angus
Argyll& Bute
Clackmannanshire
Dumfries & Galloway
Dundee City
East Ayrshire
East Dunbartonshire
East Lothian
East Renfrewshire
Edinburgh, City of
Eilean Siar
Falkirk
Fife
Glasgow City
Highland
Inverclyde
Midlothian

Moray
North Ayrshire
North Lanarkshire
Orkney Islands
Perth and Kinross
Renfrewshire
Scottish Boarders
Shetland Islands
South Ayrshire
South Lanarkshire
Stirling
West Dunbartonshire
Western Isles
West Lothian
None of these **THANK & CLOSE**

AIM FOR A MIX OF LOCATIONS ACROSS DEPTH

What is the postcode of your business? WRITE DOWN

Q10. How many employees does your business have?

Micro-business (1-9 employees) **RECRUIT FOR GROUP (SEE OTHER RQ)**
Small Business (10-49 employees **RECRUIT FOR GROUP (SEE OTHER RQ)**
Medium business (50-249 employees)
Large business (250+ employees)

Does your business operate from a shared domestic premises or from a separate business **Does your organisation have separate business premises, or does it operate from your home?**

I have no separate business premises and operate from home THANK & CLOSE
I work in a separate business premises

Q11. Thinking about water consumption, which of the following best describes your business?

Low water consumption – for example similar to a household or office with fewer than 50 employees
Medium water consumption – for example, an office of more than 50 employees, a car wash, a large business where water is not a key component, a small farmer
High water consumption – for example, large manufacturing business, a large chemical company, large (arable) farmer
Don't know **THANK & CLOSE**

RECRUIT MIN. 2 X LOW WATER CONSUMPTION AND 2 X HIGH WATER CONSUMPTION

Q12. To what extent does your organisation rely on a river, a loch, a beach or the sea (for example businesses dependent upon tourism – e.g. an ice cream parlour by the sea – might be dependent on a beach):

This has nothing to do with my organisation
Neither / nor
My organisation relies heavily on this

Don't know

AIM FOR A MIX

Q13. How many sites in Scotland does your organisation operate from?

1
2
3
4
5-10
11-50
51-250
250+
Prefer not to say

AIM FOR A MIX OF SINGLE AND MULTI SITE BUSINESSES

Q14. And what business sector best defines the core activity of your organisation?

Agriculture, forestry & fishing
Mining and quarrying
Manufacturing
Construction
Utilities
Services:
Retail & Wholesale
Transport
Accommodation & food
IT & communication
Financial services
Real estate activities
Professional & technical
Admin and support
Public administration & defence
Education
Health & social care
Arts, entertainment, recreation & other services
Other services

4 X MANUFACTURING (CODE 1)
2 X SERVICES (ALL OTHER CODES EXCLUDING 1 AND 14)
2 X AGRICULTURE (CODE 14)

Q15. To your knowledge, has your business experienced any of these problems in Scotland within the past year?

Encountered an issue with	Within past year	More than a year ago	Never	Don't know
Drinking water quality (e.g. taste, colour)				
Interruptions to the water supply				
Water leak close to a property				
Low water pressure				
Sewer flooding				
Smell from waste water treatment works				

Invitation: Depth (Zoom)

Q16. Thank you for answering those questions. Would you be willing to participate in this important research for Scottish Water? There will be about five other people just like yourself. The group will be held in accordance with the Code of Conduct of the Market Research Society.

As a reminder the research will have three stages:

- **First stage:** an online homework task that can be completed online or on paper depending on your preference.
- **Second stage:** attendance at an online webinar to give you information on water companies, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage:** participation in an online depth interview that would last 60 minutes.

Anyone able to assist will be provided with £130 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £70 for participating in the depth. All participants will need to commit to participating in all phases of the project.

Yes **PROCEED TO PRE-TASK AND/OR DATA COLLECTION AND SHARING CONSENT**
No **THANK AND CLOSE**

ASK ALL: PRE-TASK

As mentioned there will be a short homework task to undertake before the webinar. This will be completed online through our easy-to-use webpage or you can download our dedicated app. Instructions will be emailed to you shortly.

Vulnerable Depths

Quotas/group structure – INTERVIEWER SECTION

6 depths

Customer Type	Incentive
3 x Financially vulnerable	£40 interview £60 homework & webinar
3 x Medically dependent on water	£40 interview £60 homework & webinar

Introduction

Good morning/afternoon/evening. My name is .... and I am calling on behalf of Accent, a market research company. We are carrying out research for Scottish Water into their future business plan. Please could I speak to someone in your household who is 18 years old or older?

- IF "NO" TRY AND PERSUADE ELSE THANK & CLOSE
- IF "CALL BACK" PLEASE RECORD DATE AND TIME OF APPOINTMENT ON ACCIS, THANK AND CLOSE
- IF "YES" PLEASE PROCEED TO SCREENING SECTION

WHEN SPEAKING TO APPROPRIATE CONTACT CONTINUE WITH SCREENING

Screening

We are carrying out research for Scottish Water into their future business plans. This is an important research study and is an opportunity for customers like you to input into the investments Scottish Water makes to water and wastewater services for customers across Scotland. The research is being conducted under the Market Research Society Code of Conduct, which means that any answers you give will be treated in confidence.

The research will have three stages:

- First stage: an online homework task that can be completed online or on paper depending on your preference.
- Second stage: attendance at an online webinar to give you information on the water industry , particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- Third Stage: participation in an interviewer with one of our research team which will last 1 hour. This can be undertaken by telephone or Zoom.

Anyone able to assist will be provided with £100 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £40 for participating in the interview. All participants will need to commit to participating in all phases of the project.

This call may be recorded for quality control purposes.

Safety and Looking After Your Data

INTCHECK. **INTERVIEWER**: PLEASE CONFIRM YOU HAVE ADVISED THE PARTICIPANT OF:

MRS Code of Conduct
Calls being recorded

INTCHECK2. **INTERVIEWER:** PLEASE CONFIRM YOU HAVE ASKED AND CHECKED THAT THE PARTICIPANT IS **NOT** TAKING THE INTERVIEW ON A MOBILE DEVICE AND/OR WHILE DRIVING OR OPERATING EQUIPMENT

Yes, it is safe for the participant to proceed
No, it isn't safe – we need to call back later GO TO APPT SCREEN

Q1. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at www.accent-mr.com/privacy/.
Do you agree to proceeding with the interview on this basis?
Yes
No **THANK & CLOSE**

Screening

Q2. Do you or any of your close family work or have worked in the recent past in the water sector or Market Research professions?
Yes **THANK & CLOSE**
No

Q3. Have you participated in a market research depth interview in the past six months?
Yes **GO TO Q5**
No **GO TO Q6**

Q4. What was the subject matter of the interview? **PROBE AND WRITE DOWN**

IF WATER THANK & CLOSE

Q5. For your water supply, does your property have:
Mains water supply
Private water supply **THANK & CLOSE**
Don't know **THANK & CLOSE**

Q6. For your wastewater/sewerage services, does your property have –

Mains wastewater supply
Septic tank **CHECK LOCATION AND POTENTIALLY RECRUIT FOR WATER ONLY DEPTHS**
Don't know **THANK & CLOSE**

Q7. In which of the following council areas do you live in?

- Aberdeen City
- Aberdeenshire
- Angus
- Argyll& Bute
- Clackmannanshire
- Dumfries & Galloway
- Dundee City
- East Ayrshire
- East Dunbartonshire
- East Lothian
- East Renfrewshire
- Edinburgh, City of
- Eilean Siar
- Falkirk
- Fife
- Glasgow City
- Highland
- Inverclyde
- Midlothian
- Moray
- North Ayrshire
- North Lanarkshire
- Orkney Islands
- Perth and Kinross
- Renfrewshire
- Scottish Boarders
- Shetland Islands
- South Ayrshire
- South Lanarkshire
- Stirling
- West Dunbartonshire
- West Lothian
- None of these **THANK & CLOSE**

AIM FOR A MIX

Q8. Which of the following age brackets do you fall into?

UNDER 18 YEARS THANK & CLOSE
18 – 24 YEARS
25 – 34 YEARS
35 – 44 YEARS
45 – 54 YEARS
55 – 64 YEARS
65+

RECRUIT MIN. 2 X 65+

Q9. Would you say you lived in...
City or large town
Small or medium sized town
Village or rural area
Island
Don't know **THANK & CLOSE**

AIM FOR 1 FROM EACH CODES 1, 2, 3, 4

Q12. Which of the following best describes your responsibility in terms of paying your household water bills through your council tax payments?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

Q13. And are you jointly or fully responsible for your general household finances?

Yes, fully responsible
Yes, partly responsible
No, I am not responsible

ALL TO BE CODES 1 OR 2 AT Q12 AND Q13

Q14. Do you receive any discount on your council tax payments?

Yes
No **GO TO Q17**
Don't know **GO TO Q17**
Would prefer not to say **GO TO Q17**

Q15. What level of discount do you receive?

25%
50%
Other – write in:
Don't know
Prefer not to say

Q16. What is the Council Tax Band of your home address?

A
B
C
D
E
F
G
H
Exempt from Council Tax
Don't know

Q17. What is your postcode? INSERT FULL POSTCODE

Q14. Which of the following best describes your occupation status?

Senior managerial or professional
Intermediate managerial, administrative or professional
Supervisor; clerical; junior managerial, administrative or professional
Manual worker (with industry qualifications)
Manual worker (with no qualifications)
Unemployed
Retired

Student
Prefer not to say

CODE SEG

A
B
C1
C2
D
E
Not stated

RECRUIT MIN. 2 X E AND CODE AS FINANCIALLY VULNERABLE

Q18. Which of the following describes how you think of yourself? Please tick one option

Male
Female
In another way
Prefer not to say

Q19. Approximately what is your estimated annual household income before tax? If you would rather not say, then please just select that option.

Under £12,000 **CODE AS FINANCIALLY VULNERABLE**
£12,001-£18,000
£18,001-£30,000
£30,001-£40,000
£40,001-£50,000
£50,001-£70,000
£70,001-£100,000
£100,001-£150,000
£150,001 or more
Don’t know
Prefer not to say

RECRUIT 3 X FINANCIALLY VULNERABLE

Q20. Do you consider yourself to have any of the following?

Long-term physical or mental health condition which affects you carrying out day to day activities **CODE AS MEDICALLY VULNERABLE**
Long-term physical or mental health condition which is not limiting **CODE AS MEDICALLY VULNERABLE**
Aa medical condition for which you need to use a lot of water **CODE AS MEDICALLY VULNERABLE**
No long-term physical or mental health condition which affect you carrying out day to day activities **THANK & CLOSE UNLESS FINANCIALLY VULNERABLE**
Prefer not to say **THANK & CLOSE UNLESS FINANCIALLY VULNERABLE**

MEDICALLY VULNERABLE ONLY: Do you or does anyone in your household have a health condition for which you or they need to use a lot of water?

1 – Yes – I do **CODE AS WATER DEPENDENT**
2 – Yes – someone in my household does **CODE AS WATER DEPENDENT**
3 – No **THANK & CLOSE UNLESS FINANCIALLY VULNERABLE**

RECRUIT 2 X CRITICAL DEPENDENCE UPON WATER (CODES 1 OR 2)

Q19.Has your property been altered to meet your needs related to the health condition mentioned above?

Yes
No

Q20. To your knowledge, have you experienced any of these problems in Scotland?

Encountered an issue with	Within past year	More than a year ago	Never	Don't know
Drinking water quality (e.g. taste, colour)				
Interruptions to the water supply				
Water leak close to a property				
Low water pressure				
Sewer flooding				
Smell from waste water treatment works				

Invitation: Depth (Zoom or Telephone)

Q20.Thank you for answering those questions. Would you be willing to take part in this research project for Scottish Water. As a reminder there will be three stages:

- **First stage:** an online homework task that can be completed online or on paper depending on your preference.
- **Second stage:** attendance at an online webinar to give you information on the water industry, particularly Scottish Water and their future business plan. This will last an hour and will be held online (i.e. Zoom) on 8th January from 6:30 – 7:30pm. After this webinar there will be one final short homework exercise to complete.
- **Third Stage:** participation in an interviewer with one of our research team which will last 1 hour. This can be undertaken by telephone or Zoom.

Anyone able to assist will be provided with £100 to thank them for their time - £60 for completing the homework tasks and attending the webinar and £40 for participating in the interview. All participants will need to commit to participating in all phases of the project.

Yes **PROCEED TO PRE-TASK AND/OR DATA COLLECTION AND SHARING CONSENT**
No **THANK AND CLOSE**

ASK ALL: PRE-TASK

As mentioned there will be a short homework task to undertake before the webinar. This will be completed online through our easy-to-use webpage or you can download our dedicated app. Alternatively we can send you a paper copy of the questions. Instructions will be sent to you shortly.

ASK ALL: DATA COLLECTION AND SHARING CONSENT

The interview will be audio recorded for analysis purposes and to ensure accuracy. All recordings will be securely stored for a period of 12 months (for reference purposes) before being destroyed.

The recording will remain confidential to Accent.

Please confirm that is OK

Yes **CONTINUE WITH DETAILS**
No **[Click here and type HOLD IN RESERVE or THANK AND CLOSE]**

Appendix B

Homework Content

Tasks 1-4

Hello and thank you for agreeing to be part of this important project that we're conducting on behalf of Scottish Water.

As most of you may know, Scottish Water provide water and wastewater services to around 2.5 million households and 150,000 businesses.

Scottish Water operate differently to your gas and energy suppliers as they are owned by the people of Scotland and are accountable to the Scottish Government. You don't get a bill directly from Scottish Water. Most households in Scotland are billed for their water and wastewater services by their local authority services alongside their Council Tax. The charges are based on the Council Tax banding of the property.

When we get together in January, we will be discussing Scottish Water's Business Plans for the future period from 2027 to 2033. The Business Plan is a document that sets out how Scottish Water intend to deliver for their customers and the investment required to fulfil those plans. We will be exploring what matters to you and what investment you feel they should make to ensure their Business Plan reflects what you, and other customers, want.

When you come along to the webinar on 8th January the team from Scottish Water will explain some of the background to you.

Before we do this, we would like you to complete three tasks that will help get you (and us!) ready for the webinar and the main research where you have a chance to tell us what you think in more detail. The tasks will be posted on this space and we will email you reminders of what you need to do and when. Please don't worry about your spelling or grammar, we just want to capture some of your initial thoughts before we get together.

We are so excited about meeting you and we're looking forward to our sessions – in the meantime please let us know if you have any technical problems and Omar will be happy to help you (Omar.Shareef@accent-mr.com).

From your research team,

Rachel, Nancy and Sharon

Your first task: It's All About You

Please do a quick video selfie (or write in the space provided if you'd rather) to tell us:

- Your name
- Your household make-up (that's the people, and any pets, who live in your household including yourself)
- If you are working, or studying, or retired, or looking for work
- About any hobbies you have or what you like to do in your spare time
- What words would you associate with Scottish Water
- What, if anything, would you change

You can click on Rachel, Nancy or Sharon's video below to see a little bit about the team and their lives and hobbies.

INSTRUCTIONS FOR UPLOADING VIDEO HERE AND INSERT TEAM VIDEOS

Your second task: What you really really want

We are keen to understand what you want from Scottish Water in the future so please have a think about Scottish Water as the provider of your clean water and wastewater services. Please write in below answering across the three areas and think about what it might mean for you, your household, wider community and the environment.

- What you ***expect*** Scottish Water to do – these are the services that you think are absolutely essential for Scottish Water to deliver
- What you think ***would be nice*** for Scottish Water to do – these are the services that you think it would be useful for them to focus on but are not essential
- What you think ***would be the icing on the cake*** for Scottish Water to do – this could be anything that you feel would be exceptional for Scottish Water to deliver

INSTRUCTIONS FOR FILLING IN AND INSERT an example of what these layers of service might look like for an energy/telecoms company so participants can get a gist of the layers

EXAMPLE FOR BROADBAND PROVIDER:

- ***What you expect your broadband provider to do:***
  Essential that they provide a stable connection
  Essential that it is fast with no breaks in service
  Essential that they have a back-up service for any customer whose service is disrupted

- ***What you think would be nice for your broadband provider to do:***
  It would be nice if I could share my plan with other people in the family that live in different houses
  It would be nice to have unlimited data

- *What you think would be the icing on the cake for your broadband provider to do*
  It would be exceptional if they offered a reward scheme or loyalty programme
  It would be exceptional if they helped vulnerable customers with free broadband
  *It would be exceptional if they committed to being net positive for the environment so every time they dug up roads, for big projects, they made sure there was minimal disruption to wildlife **and** worked with specialist teams to release wildlife back into the local area*

Your third task: Looking back and looking forward

You will see below a timeline that stretches back to 2015 and goes forward to 2035.

(NOTE THE TIMELINE IS AN INFORGRAPHIC THAT HAS DATES 2015, 2020, NOW, FUTURE WITH THE MOST READ STORIES IN SCOTLAND FOR THOSE PERIODS – FOR THE FUTURE THERE WILL BE REFERENCES TO CLIMATE CHANGE, CONSTRUCTION, CLIMATE CHANGE)

We want you to reflect on this 20-year period and think about whether your needs have been met in the past ***and*** about how your needs might change in the future.

There may be things that you feel have changed during that period, like the weather or population, that might have changed your expectations or priorities of what you want Scottish Water to do or concentrate more/less on.

2015-2024

So, looking back over the past 10 years. Please answer the following questions:

- How well do you think Scottish Water have met your needs
- Is there anywhere that you felt that Scottish Water fell short
- Is there anywhere that you felt that Scottish Water did better than expected

2025-2035

And looking forward over the next 10 years. Please answer the following questions:

- What do you think will be the key challenges for Scottish Water
- What are the 3 key things you want Scottish Water to concentrate over this time

INSERT TIMELINE

That's all for now! We will see you on the webinar on 8th January.

From your research team,

Rachel, Nancy and Sharon

Task 5: Hello and welcome back to the research platform!

Thank you so much for all the tasks you have completed so far and for attending the webinar.

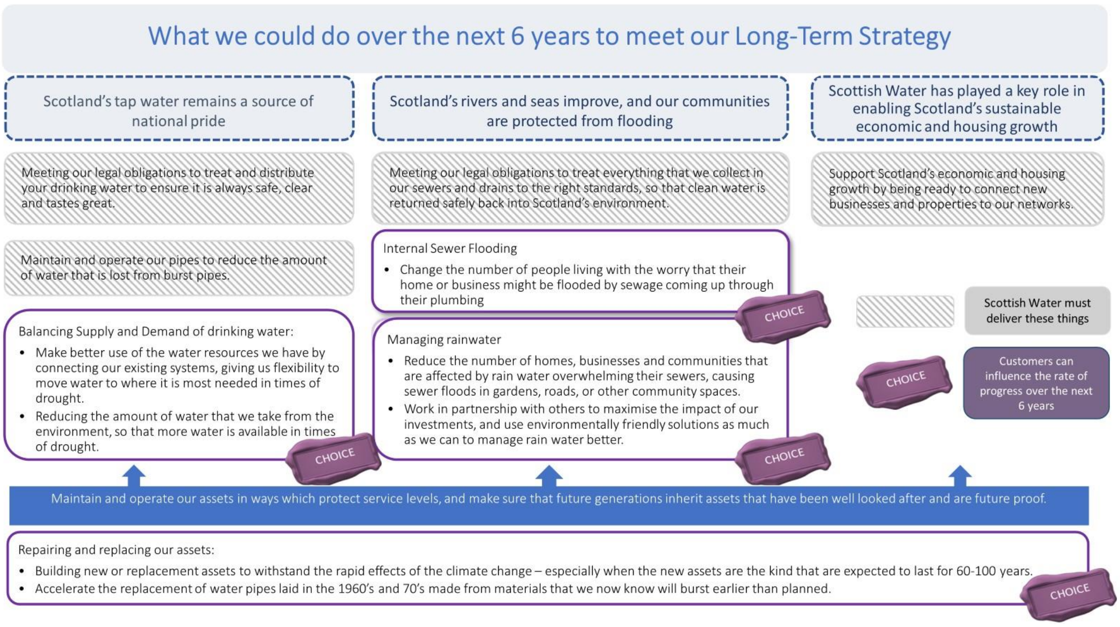
We hope that you found the background information and the speakers interesting and that you are looking forward to meeting up soon (either face-to-face or online). The sessions will allow for greater discussions with fellow Scottish Water customers and customers of the future.

If you'd like to have a look back at some or all of the session the recording is now live on Vimeo and can be found here:
https://vimeo.com/1045312820

The video can be viewed using a verified email address then you should be able to log in. Vimeo also offers options to log in through Facebook/Google/Apple account.

We've loved looking through your introductory videos and chats and reading your responses to what Scottish Water should focus on. The last solo task we would like you to complete before we get together is to read through and comment on ONE of the slides that was presented in the webinar.

The slide is shown below which shows some of the different investment options that Scottish Water could make in the 2027-2033 period, and how they fit with the long term strategic outcomes.



Please use the 'dots' to indicate which investment options you would want Scottish Water to address faster or slower:

- put a green dot next to anything you feel should be done faster
- put a red dot next to anything you feel could be delivered slower

Please click on each cell to enter your comment by adding a note, remember to save :)

Your commitment to the project so far has been fantastic and we are looking forward to our discussions.

As ever, if you have any technical problems, Omar will be happy to help you (Omar.Shareef@accent-mr.com).

From your research team,

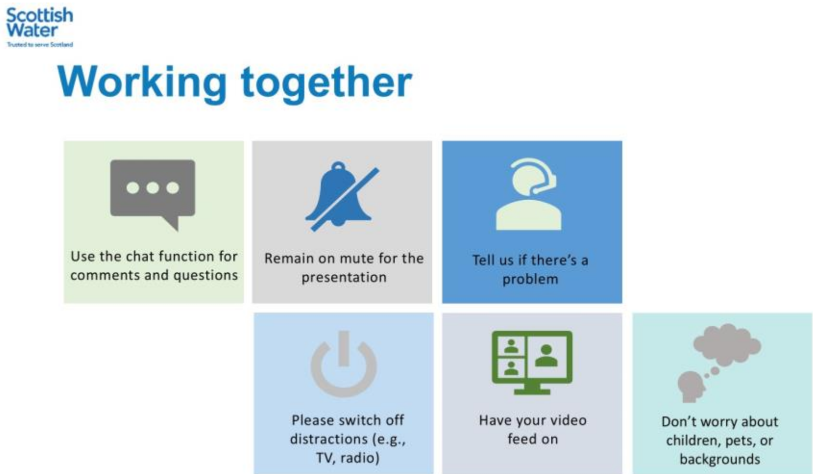
Rachel, Nancy and

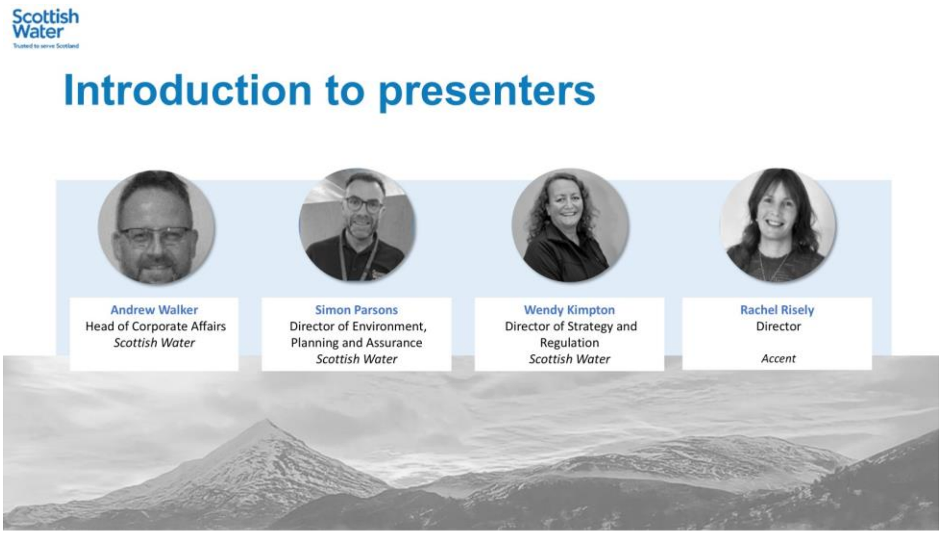
Appendix C

Webinar Content


Introductory Webinar
Accent
Scottish Water
Trusted to serve Scotland


Scottish Water
Agenda
Introduction to the webinar 6.30 - 6.35
Introduction to Scottish Water 6.35 - 6.50
Current Performance 6.50 - 7.05
Looking to the Future 7.05 – 7.25
Next Step 7.25 – 7.30
Scottish Water


Scottish Water
Working together
Use the chat function for comments and questions
Remain on mute for the presentation
Tell us if there's a problem
Please switch off distractions (e.g., TV, radio)
Have your video feed on
Don't worry about children, pets, or backgrounds


Scottish Water
Introduction to presenters
Andrew Walker
Head of Corporate Affairs
Scottish Water
Simon Parsons
Director of Environment, Planning and Assurance
Scottish Water
Wendy Kimpton
Director of Strategy and Regulation
Scottish Water
Rachel Risely
Director
Accent


Scottish Water
Introducing Scottish Water


Scottish Water
Who we are and what we do
Scottish Water is publicly owned.
We provide water to and remove waste water from homes and businesses across Scotland.
We serve over 5 million people living in 2.5 million households, and over 150,000 businesses .
We are custodians of Scotland's water resources and maintain things like reservoirs, pipework, sewers & treatment works. We are responsible for the network of pipes up to the boundary of your property.
229
water treatment works
30,586
miles of water pipes
2.64m
households
1.49bn
litres of water supplied daily
1.07bn
litres of waste water treated daily
160,736
business premises
33,982
miles of sewer pipes
1,838
waste water treatment works

Scottish Water
Trusted to serve Scotland

The Water Industry in Scotland

Scottish Water
Trusted to serve Scotland

How you pay for your water and wastewater services?

Household Annual Charges 2024/25

Council Tax Band	Water Supply	Waste Water Collection	Combined Services	Combined Services (per day)
Band A	£168.60	£195.66	£364.26	£1.00
Band B	£196.70	£228.27	£424.97	£1.16
Band C	£224.80	£260.88	£485.68	£1.33
Band D	£252.90	£293.49	£546.39	£1.50
Band E	£309.10	£358.71	£667.81	£1.83
Band F	£365.30	£423.93	£789.23	£2.16
Band G	£421.50	£489.15	£910.65	£2.49
Band H	£505.80	£586.98	£1,092.78	£2.99

Household customers

- Charges are collected alongside council tax, and are typically based on council tax band
- Around half of customers are eligible for some form of discount

The average bill (including discounts) is £446 - this is around £1.20 a day.

Business customers

- Pay through a Licensed Provider; they provide billing and day to day customer service
- Usually linked to a water meter or the business property rateable value

Scottish Water
Trusted to serve Scotland

Where does your money go?

Scottish Water

The challenges we face

Changing Climate	The changing climate is bringing extreme weather, record-breaking heatwaves, droughts, storms, and floods that have put increasing pressure on Scotland's water and waste water systems.
Population Change	Scotland's overall population continues to grow, and there is a shift in population from west to east. The number of households has also increased, as more people are now living alone.
Ageing Assets	Many of our assets are over 100 years old – and many others were installed in the 1970s, 80s and 90's as we responded to changes in legislation. These assets have served us well, but they are coming up to an age where they need to be upgraded or replaced.

Scottish Water
Trusted to serve Scotland

SERVICE EXCELLENCE

Ranked:
- **1st UK water company** for customer satisfaction*
- **2nd in UK utilities sector** for customer satisfaction*
- **1st** for overall service as a **wholesaler****

94.2%
Customer Satisfaction Year to Date

22,085
Customers on Priority Service Register

GOING BEYOND NET ZERO CARBON EMISSIONS

On track to meet the goal of Net Zero Emissions by 2040.

27,723 tCO2e Cumulative emissions reduction in the last three years equivalent to 18,000 return flights from London to New York

42GWh of on-site self-generated renewables

316 hectares of peatland restored in water catchments last year

Howden Waste Water Treatment Works, Selkirk

**UK Customer Satisfaction Index, Institute of Customer Service, July 2024*
***Retailer Measure of Experience, Turquoise Thinking, August 2024*

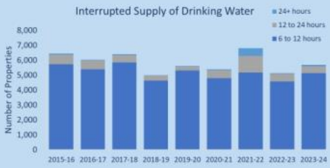
Scottish Water
Trusted to serve Scotland

Scotland's tap water remains a source of national pride

Water quality

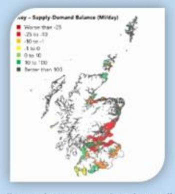
- On average we carry out 1 **quality test every 2 minutes** on the water we supply to our customer's taps
- The Drinking Water Quality Regulator (DWQR) independently monitors the testing process

Supply Interruptions



- Last year around **5,600 properties were left without water** for more than six hours without being notified first
- This happens when water pipes unexpectedly break, or when other assets such as pumps break

Supply-demand balance

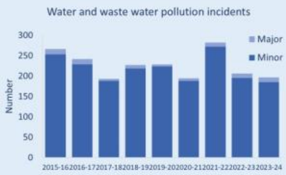


- The "Supply-Demand Balance" is the difference between **water we have available** and **how much customers are using**
- When it does not rain for long periods there is not enough water in the right places to meet customer's needs

Scottish Water
Trusted to serve Scotland

Scotland's rivers and seas improve, and our communities are protected from flooding

Pollution Incidents

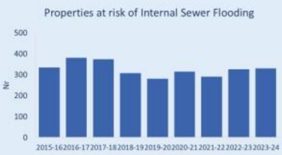


- **Pollution** happens when the contents of our sewers escapes into the environment.
- Last year, many incidents were due to **blockages** causing sewage pipes to overflow, which is more likely to happen during **prolonged and heavy rainfall.**
- We are also seeing an increase in pollution caused by the **assets getting older.**

Waste Water Compliance

- **96.2% waste water compliance** (final effluent discharges consistently meeting license conditions)

Flooding



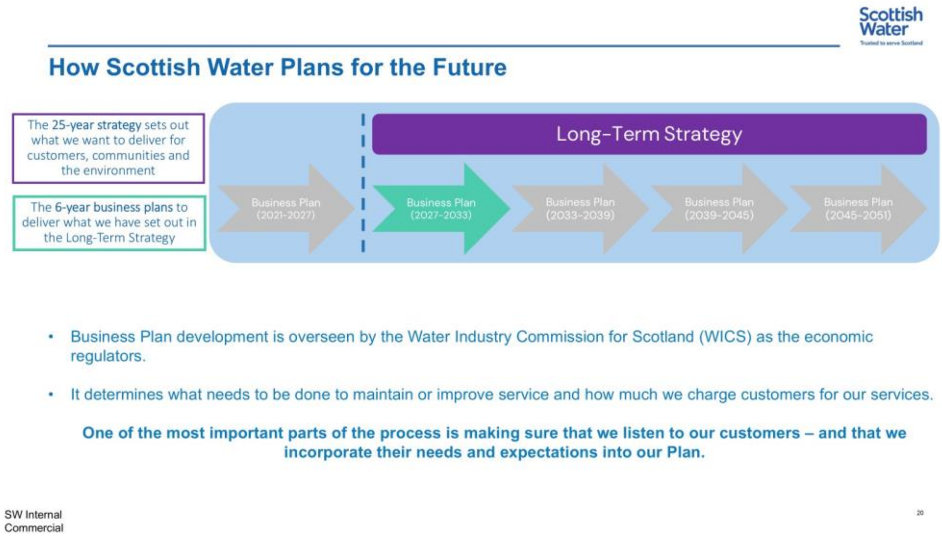
- When **sewers get blocked** or overwhelmed by rain water, they can overflow and the contents can escape into customer's properties through **toilets and other plumbing.**
- Most of last year's incidents were caused by **blocked or broken sewer pipes.**


Scottish Water
Trusted to serve Scotland
Repairing and replacing our assets
Sewer Collapses
3,000
2,500
2,000
1,500
1,000
500
0
Number
Sewer Pipes
• Last year we recorded 2,501 broken sewer pipes
Annual Leakage Levels
510
500
490
480
470
460
450
440
430
MLD
2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 2022-23 2023-24
Leakage
• The amount of water that we lost from leaking water pipes rose slightly last year.
• We have more than halved how much water lost from leaky pipes every day since 2006

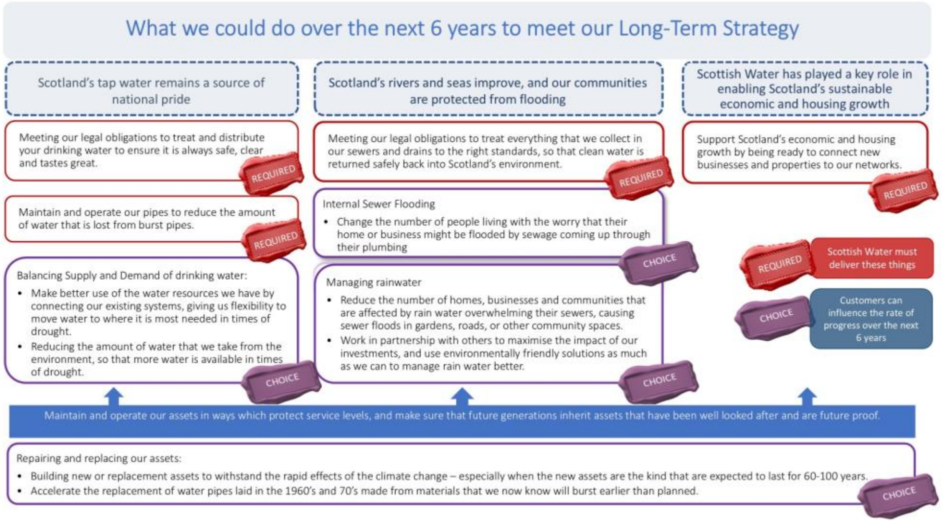

Scottish Water
Trusted to serve Scotland
Recent projects
One of Scotland's biggest critical infrastructure investors
£6bn
2021-27
£1.02bn
In 2023/24
430
SUPPLY CHAIN PARTNERS – MOST BASED IN SCOTLAND
Invercannie Water Treatment Works
(£60m)
Winchburgh Wastewater Treatment
(£35 m)
Ayrshire Resilience Project
(£120m)
Monitoring sewer overflows in seas/rivers
(up to £50m)


Q&A


Scottish Water
Trusted to serve Scotland
Looking to the Future


Scottish Water
Trusted to serve Scotland
How Scottish Water Plans for the Future
The 25-year strategy sets out what we want to deliver for customers, communities and the environment
The 6-year business plans to deliver what we have set out in the Long-Term Strategy
Long-Term Strategy
Business Plan (2021-2027)
Business Plan (2027-2033)
Business Plan (2033-2039)
Business Plan (2039-2045)
Business Plan (2045-2051)
• Business Plan development is overseen by the Water Industry Commission for Scotland (WICS) as the economic regulators.
• It determines what needs to be done to maintain or improve service and how much we charge customers for our services.
One of the most important parts of the process is making sure that we listen to our customers – and that we incorporate their needs and expectations into our Plan.
SW Internal
Commercial
20


Scottish Water
Trusted to serve Scotland
Our Long-Term Strategy
Our Long-Term Strategy
Outcomes:
The results we will deliver over the next 25 years
Scotland's tap water remains a source of national pride
Scotland's rivers and seas improve, and our communities are protected from flooding
Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth
Steps:
The steps we will take to deliver our outcomes
Lead partnerships with public, private & third sector organisations and with customers and communities
+
Transform and drive efficiency in the way we work, through innovation and technology
+
Reduce demand on our services and assets, by reducing demand for tap water and managing rain water
THEN
Seek the funding we need
Our Promise to Customers:
The foundation for all that we do
Improving the lives of our customers, communities and environment to help Scotland flourish come rain or shine


What we could do over the next 6 years to meet our Long-Term Strategy
Scotland's tap water remains a source of national pride
Scotland's rivers and seas improve, and our communities are protected from flooding
Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth
Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.
REQUIRED
Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.
REQUIRED
Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.
REQUIRED
Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.
REQUIRED
Internal Sewer Flooding
• Change the number of people living with the worry that their home or business might be flooded by sewage coming up through their plumbing
CHOICE
REQUIRED
Scottish Water must deliver these things
Balancing Supply and Demand of drinking water:
• Make better use of the water resources we have by connecting our existing systems, giving us flexibility to move water to where it is most needed in times of drought.
• Reducing the amount of water that we take from the environment, so that more water is available in times of drought.
CHOICE
Managing rainwater
• Reduce the number of homes, businesses and communities that are affected by rain water overwhelming their sewers, causing sewer floods in gardens, roads, or other community spaces.
• Work in partnership with others to maximise the impact of our investments, and use environmentally friendly solutions as much as we can to manage rain water better.
CHOICE
CHOICE
Customers can influence the rate of progress over the next 6 years
Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.
Repairing and replacing our assets:
• Building new or replacement assets to withstand the rapid effects of the climate change – especially when the new assets are the kind that are expected to last for 60-100 years.
• Accelerate the replacement of water pipes laid in the 1960's and 70's made from materials that we now know will burst earlier than planned.
CHOICE


Q&A
SW Internal
General


Scottish Water
Next Steps
Complete a short homework task using the same app as you used for the previous homework exercises
Be prepared to share your views when we see you next
Thank you for attending this webinar

Appendix D

Topic Guides

Community Event Discussion Guide:

Event 1: 13th January – Edinburgh: 24 Bill Payers (8 x Current Bill Payers social grades ABC1, 8 x Current Bill Payers social grades C2DE, 8 x Customers in Vulnerable Circumstances) and 8 x Future Customers

Event 2: 14th January – Aberdeen: 24 Bill Payers (8 x Current Bill Payers social grades ABC1, 8 x Current Bill Payers social grades C2DE, 8 x Customers in Vulnerable Circumstances) and 8 x Future Customers

Event Timetable

- 5.45pm-6pm – Meet, greet and introductions
- 6pm-7pm – Table discussions (1)
- 7pm-7.15pm – Comfort/Tea/Coffee/Sandwiches
- 7.15pm-8.45pm – Table discussions (2)
- 8.45pm-9pm – All together

Meet, Greet, Seat and Session Introduction (5.45pm-6pm)

- Sign everyone in
- Name badge and allocation to dedicated moderator group (who will introduce themselves)
  - Table 1 – 3 x ABC1, 2 x C2DE, 3 x VC, 3 x FC
  - Table 2 – 2 x ABC1, 3 x C2DE, 2 x VC, 3 x FC
  - Table 3 – 3 x ABC1, 3 x C2DE, 3 x VC, 2 x FC
- Offer tea/coffee and seat in main space
- Show the agenda for the session on the screen – SLIDE 1
- Introduce the moderating team
  - explain that we are an independent, impartial research agency
  - no right or wrong answers and no comments are attributed to you by name
  - keen to hear from everyone on the table
  - MRS Code of Conduct
- Thank everyone for participating in the homework and webinar exercises so far
- Explain that we are here tonight on behalf of Scottish Water who are are the provider of your clean and wastewater and we are looking for their views and *input into* their next Business Plan SLIDE 2 and 3
  - we will break out into smaller groups so that we get a change to discuss what you think should be included in the plan properly
  - we will get your input and look at some of those high level investment areas that were shared in the homework exercise but please remember that these

are not final plans and have been designed for us to have a discussion around what is and isn't important to you
- looking for your honest opinions
- and in those sessions it's fine to agree or disagree with others in your group
- we are aiming to have a discussion and at the end of the session, you will have a chance to fill-in a short questionnaire individually

- Tell everyone how long we will be here and session structure (break out groups/comfort breaks)
- Explain fire drills/exits

Table discussion 1: Context (6pm-7pm)

This breakout group will focus on warm-up to ensure participants are comfortable, recap the pre-task materials, provide baseline views on the company, explore spontaneous preferences and priorities and introduce the long term/ intergenerational concept and discussions

10 Mins - Introductions

- Ice breaker
  - Name
  - Where you stay/who with
  - Favourite drink

10 Mins – Baseline Perceptions of Scottish Water

- Remind everyone that we are here to discuss what they would expect to see in the 2027-2033 Business Plan for Scottish Water but first we want to find out a bit about what you knew and thought about Scottish Water before you attended the webinar
  - So just for a moment transport yourself back to before you attended the webinar:
    - What did you know about Scottish Water before that?
    - SLIDE 4**a (positive) and b (negative):** There were a range of words used in the word association exercise in the pre-task, why do you think people said these words
    - What surprised you most about what you heard at the webinar?
    - Did anything you hear in the webinar change your view of Scottish Water in any way?
- And thinking about right now, how do you feel about Scottish Water and the service they provide, the work they do in the community and for the environment – on a scale of 1-7 where 1 is they are not good/need to improve and 7 is they are brilliant
  - Explore reasons for scores

- Service score - Are people thinking about their own service – what is driving the score and why
- Community score - Are people thinking about any community projects or needs – what is driving the score and why
- Environment score - Are people thinking about the wider environment -– what is driving the score and why

– *Probe any differences between the different demographics/Future Customers*

25 Mins – Customer Led Priorities

- SLIDE 5: From your collective responses from the homework exercise, we have collated those three layers of 1) what is absolutely essential for Scottish Water to deliver, 2) what would be nice but not essential for them to deliver and 3) what would be the icing on the cake – anything exceptional
- Now that you have been through the webinar and heard more from Scottish Water, we want to review these and see if everything is still relevant and if you would add/take away anything from these layers. MODERATOR NOTE THAT ALL OF THESE AREAS MAY NOT BE INCLUDED IN HIGH LEVEL INVESTMENT SCENARIOS SHOWN LATER – SW WILL PROVIDE A STATEMENT TO EXPLAIN WHY
- SLIDE 5a = Essential for Scottish Water to Deliver:
  – Tell us more about why these are the most important/expected services
  – These were collective response but were there any different views here – what and why
  – What sort of investment would you expect to be made into these areas
- What difference would investment in these areas make to you, the community you belong to, the environment, other Scottish citizens
- SLIDE 5b = Nice to have but not essential:
  – Tell us more about why these services are nice to have
  – These were collective response but were there any different views here – what and why
  – What sort of investment would you expect to be made into these areas
  – What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
- SLIDE 5c = Icing on the cake – anything exceptional
  – Tell us more about why these services would be the icing on the cake
  – These were collective response but were there any different views here – what and why
  – What sort of investment would you expect to be made into these areas
  – What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
  – *Probe any differences between the different demographics/Future Customers*

15 Mins – Longer term and introducing intergenerational

- Thank you – now we have explored the things that you feel should be included in any Scottish Water future plans, we are going to look at some of the long term challenges that we shared during the webinar – does anyone remember any of these
  - What did you remember and why did you remember those particular challenges (LIGHT TOUCH ONLY)
- SLIDE 6: These are the challenges that were shared during the webinar
- Are there any other challenges that you think could affect the planning for 2027-2033 or in the longer term to 2050, can you tell me how you think it could have an impact?
  - Are there any of these you found surprising and why
- Soon we will share an outline of what Scottish Water might be considering for 2027-2033. Please remember this isn't a plan but some areas to prompt a discussion. First let's remind ourselves of Scottish Water's longer term strategy and goals that we showed briefly during the webinar. These go out as far as 2050 and will give you a sense of what they are planning and where they see their priorities
- SLIDE 7: This long term strategy is an important consideration for Scottish Water when they are thinking about putting their 2027-2033 Business Plan together – everything they do in this shorter period will of course link to the longer term planning too.
- Scottish Water can choose to invest in service enhancements e.g. they could choose to build a new water treatment works now but there would be a few things to consider:
  - this may mean that customers pay more now for projects that won't be completed for 10 years
  - it could mean that by investing now this would save customers money on future maintenance (like maintain your car)
  - costs may be more in the future for materials
  - there may be technological advancements that make things cheaper
    - What are your views on this kind of longer term investment
      - Are there any of the priorities that we talked about before that you would push to the longer term
      - Are there any of the priorities that we talked about before that you would want to start now even if the benefit was not seen immediately

Tea, Coffee, Sandwiches, Stretch, Comfort7pm-7.15pm

Table Discussion 2: Response to High level investment areas (7.15pm- 8.45pm)

10 Mins – Overview

- Welcome everyone back to the table
- Explain that this breakout session will be focusing on the high level investment scenarios that we shared during the pre-task and in the next part of the discussion we want to understand more about how you all feel about these and what impact they could have on you as a customer or user of Scottish Water
- Watermarks on all stimulus with 'DRAFT IDEAS'
- Please remember that Scottish Water are in the process of building the 2027-2033 plan so what we have to show you is a high level investment scenario of what Scottish Water might concentrate on during this period – this is designed as a starting point for a conversation so that you can tell us what is and isn't important to you
- For the second pre-task, we also asked you to dig out your council tax bill so that you could see how much you pay for water and wastewater services so let's focus on this first
- What did you think about how much you currently paid (Bill Payers)
  - Good VFM or not and why did you feel this
  - Listen for comments about household finances and affordability and prompt accordingly
    - How do you feel about how much you pay for your water in the context of other household finances (future customers think about your personal finances – mobile bills, transport, etc)?
    - And how do you think that might change in the next 5 years?
    - And how has that changed over the last few years – does anyone remember any changes in water costs – what do you remember, what impact did this have on you/your household
- USE SLIDO How do you feel about your own financial situation (I have no concerns and can always pay my bills on time, I am managing ok but sometimes worry that I can't pay the bills on time, I am seeking help with my bills as I can't pay them on time

5 Mins – Introduce initial Investment Scenario (2) – this will not have individual costs attached at this stage.

- SLIDE 8B: On the slide you can see some more detail about what Scottish Water could do during 2027-2033 to fit with the long term strategy and meet those challenges
  - Overall, what did you feel was good about this?
  - Overall, what did you feel was not good about this?
  - What would you want to change, if anything?

– *Probe any differences between the different demographics/Future Customers*

30 Mins – Breaking down the plan – FOCUS ON DIFFERENT PARTS OF SLIDE 8B

- Let's now break this down and get your views on each part – explore 'Looking after assets', "Tap water source of pride', 'Quality of rivers/seas', 'Scottish Water playing key part in economy'
  - For each part – be led by participants:
    - How do you feel about Scottish Water concentrating on this investment area?
    - What is good the individual elements
    - What is not good about the individual elements

10 Mins – intergenerational equality

- Circle back to earlier conversation - remember we talked about long term choices at the end of the first session and that Scottish Water need to balance the amount of investment they make now in services and infrastructure with the amount of money it gets from charges
- We gave you the example that Scottish Water can choose to invest in service enhancements e.g. they could build a new water treatment works but this may mean that customers pay more now for projects that won't be completed for 10 years or more so in this scenario Future Customer would benefit from this investment even though they haven't paid bills
- The alternative is that Scottish Water do not build the new water treatment works right away so costs don't rise now but this may mean that the services are not future proofed and that any costs rises happen at a later date when the project takes place – this would mean that future customers would pay these costs and these could well be higher if existing infrastructure has become degraded OR new technology might provide cost efficiencies
- Who would want to make investment now and have higher bills now even if they didn't directly benefit from these longer term projects
  - Why would you or wouldn't you want to do this
  - What's driving your choice
  - Please note that Scottish Water could work with partners and put in enhanced protections for low income households by extending discounts so those people who couldn't afford the rises would not have to pay any more (remember that SW do not have the control over billing discounts as this is part of the council tax bill)
  - Are there any investment areas that you would be definitely want Scottish Water to do now OR definitely not do now
- *Important probe on any differences between the different demographics/Future Customers*

5 Mins – Overall review of this high-level investment scenario

- Now we have discussed this high-level investment scenario, how well does it fit with your needs for 2027-2033 (refer back to spontaneous SLIDE 8) – that's 3 years time so think about what your life will be like in 3 years and some of the future customers here might then be actual customers
  - Why do you say this?
    - When you are thinking about whether this is what you want/need, are you thinking about this as a service user, community member, for the environment
- Which bits drive acceptance/non acceptance - water or wastewater elements?
    - Investment areas – ambitious enough or not?
    - Targets – ambitious enough or not?
  - What would you change?

10 Mins – Overall review of this high-level investment scenario with costs attached SLIDE 9a and SLIDE 9B:

- On Slide 9a you can see how much each household pays for their water in each council tax band so take a look at what band you are in and it should show approximately what you are paying for your water
- Then look at Slide 9b as this is an approximation of the impact on charges if Scottish Water were to deliver everything we have just discussed and would mean that your bill would increase by x amount over the start and end period
- How reasonable is this increase to you (Bill Payers)
- Why do you say this?
- How affordable is this increase to you (Bill Payers)
- If not affordable, what would you suggest Scottish Water should take out?
  - If affordable, is there anything else you would want them to do?

20 Mins – Alternatives – Higher/Lower scenarios with costs attached

- SLIDE 10 AND 11: Alternatives with cost implications
- Scottish Water could deliver more or less investment than we have discussed and these options would have higher or lower cost implications for customers so we want to share with you what these other potential investment scenarios could look like. As discussed, these are draft outlines and approximate charging implications but designed to provide an idea of the options being considered by Scottish Water
  - SHOW HIGHER OR LOWER (ROTATE)
    - How do you feel about Scottish Water delivering this plan that would be higher/lower investment and higher/lower charging implications for customers
      - How happy/unhappy would you be?
      - What is good about this alternative?
      - What is not good about this alternative?

- Remember that these are different sets of options and nothing is finalised, with this in mind, are there parts that you would take from the different alternatives or anything that you would add
    - Imagine that you had to tell Scottish Water what definitely needs to be included in this 2027-2033 period of investment
        - Playback what would that be

All TOGETHER/THANK AND CLOSE8.45pm-9pm

- Welcome everyone back to the main area
- Explain that for this final session, we will be asking them to fill in a questionnaire individually which should take around 5 minutes USE SLIDO for 3 preference
- Any other questions that they would like the Scottish Water team to answer
- Thank everyone for coming
- Invite any final questions
- Close

Water Only Depths Discussion Guide (60 minutes)

Introduction and Warm-Up5 Mins (5)

- Introductions and thanks for participating in the homework and webinar exercises so far

1. explain that we are an independent, impartial research agency
2. no right or wrong answers and no comments are attributed to you by name
3. MRS Code of Conduct

- As you know, we are here tonight on behalf of Scottish Water who are are the provider of your clean water and we are looking for their views and *input into* their next Business Plan **SLIDE 1 and 2**

4. During this session we want to briefly revisit some of the information you gave us in the homework exercise so that we can really understand what is important to you
5. Then we will show some of the high level investment areas that were shared in the homework exercise but please remember that these are not final plans and have been designed for us to have a discussion around what is and isn't important to you

- You were specially recruited because we want to hear the views of different types of customers some of whom are 'water only' customers and who have a septic tank for their wastewater – this is particularly important because Scottish Water need to think about how your needs would affect what they put into the plan . Whilst SW may not empty your Septic Tank, it is worth noting that all of the sludge from your septic tank system does ultimately go to Scottish Waters wastewater treatment works for processes.
- We will show you some investment areas that relate to wastewater and we want to hear your views on these, even though you are not directly paying for wastewater services. Ultimately how they invest and manage wastewater links to the wider environment, and potential impacts on wider communities – so your views are still really important here
- **MODERATOR NOTE: if customers ask during call, it is worth noting that the money they pay for their water bill and any fees their septic tank company pay SW to process their waste, can be spent across both water and waste investment areas**
- Please introduce yourself

6. Name
7. Who lives in the house with you and where in Scotland do you live
8. Tell me about your water and wastewater set-up and septic tank
9. Favourite drink

Brief overview of thoughts on Scottish Water15 Mins (20)

- For a moment, we want you to transport yourself back to before you attended the webinar:
    1. What did you know about Scottish Water before that?
    2. What words did you use to describe Scottish Water
- And thinking about right now, how do you feel about Scottish Water and the service they provide, the work they do in the community and for the environment – on a scale of 1-7 where 1 is they are not good/need to improve and 7 is they are brilliant

10. Explore reasons for scores
    1. Service score - Are people thinking about the service they personally receive – what is driving the score and why
    2. Community score - Are people thinking about any community projects or needs – what is driving the score and why
    3. Environment score - Are people thinking about the wider environment -– what is driving the score and why
    4. *Any aspects of water only status that affect response*

- SLIDE 5: From your collective responses from the homework exercise, we have collated those three layers of 1) what is absolutely essential for Scottish Water to deliver, 2) what would be nice but not essential for them to deliver and 3) what would be the icing on the cake – anything exceptional

11. Briefly explore these areas
12. Tell us more about why these are the most essential
13. Tell us more about why these services are nice to have
14. Tell us more about why these services would be the icing on the cake
    1. *Any aspects of water only status that affect response i.e. how do you view the wastewater related areas that people have said are important*

- We asked you to dig out your council tax bill so that you could see how much you pay for water services
- What did you think about how much you currently paid

15. Good VFM or not and why did you feel this
16. Listen for comments about household finances and affordability and prompt accordingly
    1. How do you feel about how much you pay for your water in the context of other household finances?
    2. And how do you think that might change in the next 5 years?
    3. And how has that changed over the last few years – does anyone remember any changes in water costs – what do you remember, what impact did this have on you/your household

Explore first high level investment scenario25 Mins (45)

- SLIDE 8B: On the slide you can see some more detail about what Scottish Water could do during 2027-2033 to fit with the long term strategy and meet those challenges. As you will have heard at the webinar, you can see somethings on the slide here are required (so SW must deliver these) and somethings are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is the choice areas we want to focus our discussions on in these scenarios.
- MODERATOR – INTRODUCE AQUA SCENARIO AND TALK THEM THROUGH THE SLIDE

17. Overall, what do you feel was good about this?
18. Overall, what do you feel was not good about this?
19. What would you want to change, if anything?

- *Any aspects of water only status that affect response*

- FOCUS ON DIFFERENT PARTS OF SLIDE 8B -
- Let's now break this down and get your views on each part – explore 'Looking after assets', "Tap water source of pride', 'Quality of rivers/seas', 'Scottish Water playing key part in economy'

20. For each part – be led by participants as to where to start but ensure all areas are explored:
    1. How do you feel about Scottish Water concentrating on this investment area?
    2. What is good the individual elements
    3. What is not good about the individual elements

- SLIDE 9B Adapted to show Water Only costs
- Anchor this in their own bill and don't show generic council tax band slide which will be irrelevant
- This is an approximation of the amount your bills might increase by between 2027 and 2033 if Scottish Water were to deliver scenario AQUA. Please note these are just examples of what an increase might look like – things like inflation over the next few years are unknown – so this does NOT mean your bill will increase by exactly this amount but it does reflect the cost of achieving the investment outcomes in this scenario (AQUA).
- The bill increases are spread over time; this means bills goes up each year. Slide 9b shows how much it goes up by on average, every year. So looking at this example box on the screen, if you were in CT Band A with no discounts, you would pay on average £X more than you did the year before, every year between 2027 and 2033. So that means by the time you get to 2033, you would be paying £XX more per year, than you would have paid in 2027. [moderator

note, some of the 6 year numbers (including this one) will be out slightly this is due to rounding]

- Please jot down the increase numbers, both annual and over the 6 years, that are most relevant to you.
- How reasonable is this increase to you
- Why do you say this?
- How affordable is this increase to you
- If not affordable, what would you suggest Scottish Water should take out?

21. If affordable, is there anything else you would want them to do?
    1. *Any aspects of water only status that affect response*
    2. *All of the payments that are collected from you get spent on water and waste projects*

  1. *how reasonable do you feel this is*
  2. *Why/why not reasonable*

Other scenarios – Higher/Lower15 Mins (60)

SLIDE 10a and b AND 11a and b: **Other Scenarios – Higher/Lower scenarios with costs attached (Turquoise – Option 1 and Cobalt – Option 3)** Cost implications adapted to show Water Only costs

- **ASK RESPONDANT TO TAKE NOTE OF THE BILL AMOUNTS WHEN GOING THROUGH SLIDES, SIMILAR TO SCENARIO AQUA.** THIS IS SO THEY HAVE A NOTE OF ALL COST IMPLICATIONS FOR ALL SCENARIOS WHEN COMING TO THE END OF SESSION.
- Scottish Water could deliver more or less investment than we have discussed and these options would have higher or lower charging implications for customers so we want to share with you what these other potential investment scenarios could look like. As discussed, these are draft outlines and approximate charging implications but designed to provide an idea of the options being considered by Scottish Water

22. SHOW COBALT HIGHER OR TURQOUISE LOWER – TALK THROUGH AND POINT OUT DIFFERENCES (ROTATE)

- How do you feel about Scottish Water delivering this investment option that would be higher/lower investment and higher/lower charging implications for customers
  1. How happy/unhappy would you be?
  2. What is good about this alternative?
  3. What is not good about this alternative?
- SLIDE 12: Remember that these are different sets of options and nothing is finalised, with this in mind, are there parts that you would take from the different scenarios or anything that you would add
- And any final thoughts on the investment areas and costs that we have discussed

2. *Any aspects of water only status that affect response*

Thank and permissions

- Thank you for participating
- Invite any final questions
- Permission to recontact for further research as plan develops
- Close

Customers in vulnerable situations discussoin guide (60 minutes)

Introduction and Warm-Up10 Mins (10)

- Introductions and thanks for participating in the homework and webinar exercises so far

23. explain that we are an independent, impartial research agency
24. no right or wrong answers and no comments are attributed to you by name
25. MRS Code of Conduct

- As you know we are here tonight on behalf of Scottish Water who are the provider of your water and wastewater services and we are looking for their views and *input into* their next Business Plan SLIDE 2 and 3

26. During this session we want to briefly revisit some of the information you gave us in the homework exercise so that we can really understand what is important to you
27. Then we will show some of the high level investment areas that were shared in the homework exercise but please remember that these are not final plans and have been designed for us to have a discussion around what is and isn't important to you
28. You were specially recruited because we want to hear the views of different types of customers some of whom have particular water needs or have some financial difficulties – this is particularly important because Scottish Water need to think about how your needs would affect what they put into the plan

- Please introduce yourself

29. Name
30. Who lives in the house with you and where in Scotland do you live
31. How does any aspects of your life affect your water usage – probe around particular needs
32. You have been recruited because we know that you (insert particular vulnerability from recruitment sheet e.g. health, financial), can you tell me a little bit about how this affects your everyday life at the moment

Overview of thoughts on Scottish Water15 Mins (25)

- For a moment, we want you to transport yourself back to before you attended the webinar:
    1. What did you know about Scottish Water before that?
    2. What words did you use to describe Scottish Water
    3. Did anything you hear in the webinar or in the chat surprise you or change your view of Scottish Water in any way?

- And thinking about right now, how do you feel about Scottish Water and the service they provide, the work they do in the community and for the environment – on a scale of 1-7 where 1 is they are not good/need to improve and 7 is they are brilliant

33. Explore reasons for scores:
    1. Service score - Are people thinking about the service they personally receive – what is driving the score and why
    2. Community score - Are people thinking about any community projects or needs – what is driving the score and why
    3. Environment score - Are people thinking about the wider environment -– what is driving the score and why
    4. *Any aspects of vulnerability that affect response*

- SLIDE 5: From your collective responses from the homework exercise, we have collated those three layers of 1) what is absolutely essential for Scottish Water to deliver, 2) what would be nice but not essential for them to deliver and 3) what would be the icing on the cake – anything exceptional
- Now that you have been through the webinar and heard more from Scottish Water, we want to review these and see if everything is still relevant and if you would add/take away anything from these layers. MODERATOR NOTE THAT ALL OF THESE AREAS MAY NOT BE INCLUDED IN HIGH LEVEL INVESTMENT SCENARIOS SHOWN LATER – SW WILL PROVIDE A STATEMENT TO EXPLAIN WHY
- SLIDE 5a = Essential for Scottish Water to Deliver:

34. Tell us more about why these are the most important/expected services
35. These were collective response but were there any different views here – what and why
36. What sort of investment would you expect to be made into these areas
37. Improving network has been mentioned spontaneously by customers in the homework – probe more on what is meant by this – enhancing or maintenance
38. What difference would investment in these areas make to you, the community you belong to, the environment, other Scottish citizens

- SLIDE 5b = Nice to have but not essential:

39. Tell us more about why these services are nice to have
40. These were collective response but were there any different views here – what and why
41. What sort of investment would you expect to be made into these areas
42. What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
43. Meters have been mentioned spontaneously by customers in the homework – how do people feel about unmetered usage e.g. use as much as I like without being charge more

- SLIDE 5c = Icing on the cake – anything exceptional

44. Tell us more about why these services would be the icing on the cake
45. These were collective response but were there any different views here – what and why
46. What sort of investment would you expect to be made into these areas
47. What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
48. *Extra probe: odour and pressure not mentioned in pre-task – is this important to people*
    1. *Any aspects of vulnerability that affect response*

- We asked you to dig out your council tax bill so that you could see how much you pay for water and wastewater services
- What did you think about how much you currently paid

49. Good VFM or not and why did you feel this
50. Listen for comments about household finances and affordability and prompt accordingly
    1. How do you feel about how much you pay for your water in the context of other household finances?
    2. And how do you think that might change in the next 5 years?
    3. And how has that changed over the last few years – does anyone remember any changes in water costs – what do you remember, what impact did this have on you/your household
    4.

Explore first high level investment scenario25 Mins (50)

Introduce initial Investment Scenario - this will be AQUA (Scenario 2) and will not have individual costs attached at this stage.

- SLIDE 8B: On the slide you can see some more detail about what Scottish Water could do during 2027-2033 to fit with the long term strategy and meet those challenges. As you will have heard at the webinar, you can see somethings on the slide here are required (so SW must deliver these) and somethings are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is the choice areas we want to focus our discussions on in these scenarios.
- MODERATOR – INTRODUCE AQUA SCENARIO AND TALK THEM THROUGH THE SLIDE

51. Overall, what do you feel was good about this?
52. Overall, what do you feel was not good about this?
53. What would you want to change, if anything?
    1. *Any aspects of vulnerability that affect response*

- **FOCUS ON DIFFERENT PARTS OF SLIDE 8B -** Let's now break this down and get your views on each part – explore 'Looking after assets', "Tap water source of pride', 'Quality of rivers/seas', 'Scottish Water playing key part in economy'

54. For each part – be led by participants as to where to start but ensure all areas are explored:
    1. How do you feel about Scottish Water concentrating on this investment area?
    2. What is good about the individual elements
    3. What is not good about the individual elements

- **SLIDE 9:** Charging impact of this plan AND **SLIDE 9B** Overall plan with overall cost
- On Slide 9a you can see how much each household pays for their water in each council tax band so take a look at what band you are in and it should show approximately what you are paying for your water. A reminder that any discounts you receive may not be exactly these 25% or 35% as it is dependent on your circumstances – these are just examples.
- Then look at Slide 9b. This is an approximation of the amount your bills might increase by between 2027 and 2033 if Scottish Water were to deliver scenario AQUA. Please note these are just examples of what an increase might look like – things like inflation over the next few years are unknown – so this does NOT mean your bill will increase by exactly this amount but it does reflect the cost of achieving the investment outcomes in this scenario (AQUA).
- The bill increases are spread over time; this means bills goes up each year. Slide 9b shows how much it goes up by on average, every year. So looking at this example box on the screen, if you were in CT Band A with no discounts, you would pay on average £18 more than you did the year before, every year between 2027 and 2033. So that means by the time you get to 2033, you would be paying £107 more per year, than you would have paid in 2027. [moderator note, some of the 6 year numbers (including this one) will be out slightly this is due to rounding]
- Please jot down the increase numbers, both annual and over the 6 years, that are most relevant to you.
- How reasonable is this increase to you
- Why do you say this?
- How affordable is this increase to you
- If not affordable, what would you suggest Scottish Water should take out?

55. If affordable, is there anything else you would want them to do?
    1. *Any aspects of vulnerability that affect response*

Other scenarios – Higher/Lower10 Mins (60)

Other Scenarios – Higher/Lower scenarios with costs attached (Turquoise – Option 1 and Cobalt – Option 3)

- SLIDE 10a and b AND 11a and b: Other Scenarios with cost implications
- **ASK RESPONDANTS TO TAKE NOTE OF THE BILL AMOUNTS WHEN GOING THROUGH SLIDES, SIMILAR TO SCENARIO AQUA.** THIS IS SO THEY HAVE A NOTE OF ALL COST IMPLICATIONS FOR ALL SCENARIOS WHEN COMING TO THE END OF SESSION.
- Scottish Water could deliver more or less investment than we have discussed and these options would have higher or lower cost implications for customers so we want to share with you what these other potential investment scenarios could look like. As discussed, these are draft outlines and approximate charging implications but designed to provide an idea of the options being considered by Scottish Water

56. SHOW COBALT HIGHER OR TURQOUISE LOWER – TALK THROUGH AND POINT OUT DIFFERENCES (ROTATE)

    1. How do you feel about Scottish Water delivering this plan that would be higher/lower investment and higher/lower charging implications for customers

  1. How happy/unhappy would you be?
  2. What is good about this scenario?
  3. What is not good about this scenario?
  4. Explore with cost – get customers to jot down the potential increase this could have on their household – is this reasonable, affordable
  5. NOTE: discussion here will be about which scenario customers favour, why and whether the cost implications are reasonable and affordable

- SLIDE 12: Remember that these are different sets of options and nothing is finalised, with this in mind, are there parts that you would take from the different scenarios or anything that you would add
- And any final thoughts on the investment areas and costs that we have discussed

    2. *Any aspects of vulnerability that affect response*

Thank and Permissions

- Thank you for participating
- Invite any final questions
- Permission to recontact for further research as plan develops
- Close

Rural/Remote Online Session 1: Community Discussion Guide (60 minutes)

Introduction and Warm-Up10 Mins

- Introductions and thanks for participating in the homework and webinar exercises so far

57. explain that we are an independent, impartial research agency
58. no right or wrong answers and no comments are attributed to you by name
59. keen to hear from everyone in the Zoom room
60. MRS Code of Conduct

- As you know, we will be seeing each other for two sessions – tonight and next week for an hour
- We are here tonight on behalf of Scottish Water who are the provider of your water and wastewater services and we are looking for your views and *input into* their next Business Plan **SLIDE 1 and 2**

61. for this first session, we will revisit some of the information you gave us in the homework exercise so that we can really understand what is important to you
62. next time we meet we will show some of the high level investment areas that were shared in the homework exercise but please remember that these are not final plans and have been designed for us to have a discussion around what is and isn't important to you
63. looking for your honest opinions
64. it's fine to agree or disagree with others in your group

- Let's go round the Zoom room and introduce ourselves

65. Name
66. Where you stay/who with
67. Some of you may be quite rural/remote so please share details of where you live and what that means for your services/utilities
68. Favourite drink

- NOTE: this first session will focus on a recap of the pre-task materials, provide baseline views on the company, explore spontaneous preferences and priorities and introduce the long term/intergenerational concept and discussions

Baseline perceptions of Scottish Water10 Mins (20)

- Remind everyone that we are here to discuss what should go into the 2027-2033 Business Plan for Scottish Water but first we want to find out a bit about what you knew and thought about Scottish Water before you attended the webinar

69. So just for a moment transport yourself back to before you attended the webinar:

1. What did you know about Scottish Water before that?

70. SLIDE 4a (positive) and b (negative): There were a range of words used in the word association exercise in the pre-task, why do you think people said these words
    1. Did anything you hear in the webinar or in the chat surprise you or change your view of Scottish Water in any way?
    2. Did anything you hear change your view of Scottish Water in any way?

- And thinking about right now, how do you feel about Scottish Water and the service they provide, the work they do in the community and for the environment– on a scale of 1-7 where 1 is they are not good/need to improve and 7 is they are brilliant

71. Explore reasons for scores
    1. Service score - Are people thinking about their own service – what is driving the score and why
    2. Community score - Are people thinking about any community projects – what is driving the score and why and what do they mean by community
    3. Environment score - Are people thinking about the wider environment -– what is driving the score and why and what do they mean by environment

72. *Probe any differences between the different demographics/Future Customers*

Customer led priorities25 Mins (45)

- SLIDE 5: From your collective responses from the homework exercise, we have collated those three layers of 1) what is absolutely essential for Scottish Water to deliver, 2) what would be nice but not essential for them to deliver and 3) what would be the icing on the cake – anything exceptional
- Now that you have been through the webinar and heard more from Scottish Water, we want to review these and see if everything is still relevant and if you would add/take away anything from these layers. MODERATOR NOTE THAT ALL OF THESE AREAS MAY NOT BE INCLUDED IN HIGH LEVEL INVESTMENT SCENARIOS SHOWN LATER – SW WILL PROVIDE A STATEMENT TO EXPLAIN WHY

  MODERATOR NOTE – observe if rural/remote customers focus on specific area issues or think about all of wider citizens and users of Scottish Water
- SLIDE 5a = Essential for Scottish Water to Deliver:

73. Tell us more about why these are the most important/expected services
74. These were collective response but were there any different views here – what and why
75. What sort of investment would you expect to be made into these areas

76. Improving network has been mentioned spontaneously by customers in the homework – probe more on what is meant by this – enhancing or maintenance
77. What difference would investment in these areas make to you, the community you belong to, the environment, other Scottish citizens

- SLIDE 5b = Nice to have but not essential:

78. Tell us more about why these services are nice to have
79. These were collective response but were there any different views here – what and why
80. What sort of investment would you expect to be made into these areas
81. What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
82. Meters have been mentioned spontaneously by customers in the homework – how do people feel about unmetered usage e.g. use as much as I like without being charge more

- SLIDE 5c = Icing on the cake – anything exceptional

83. Tell us more about why these services would be the icing on the cake
84. These were collective response but were there any different views here – what and why
85. What sort of investment would you expect to be made into these areas
86. What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
87. *Probe any differences between the different demographics/Future Customers*
88. *Extra probe: odour and pressure not mentioned in pre-task – is this important to people*

Longer term and introducing intergenerational15 Mins (60)

- Thank you – now we have explored the things that you feel should be included in any Scottish Water future plans, we are going to look at some of the long term challenges that we shared during the webinar

89. Does anyone remember any of these, what did you remember and why did you remember those particular challenges (LIGHT TOUCH ONLY)

- SLIDE 6: These are the challenges that were shared during the webinar

90. Are there any other challenges that you think could affect the planning for 2027-2033 or in the longer term to 2050
91. What are the challenges that are particularly relevant to you as rural or remote customers/Future customers of Scottish Water
92. Are there any of these you found surprising and why

- Next time we will share an outline of what Scottish Water might include in some of those plans. Please remember this isn't a plan but some areas to prompt a discussion.

- For now, let's remind ourselves of Scottish Water's longer term strategy and goals that we showed briefly during the webinar. These go out as far as 2050 and will give you a sense of what they are planning and where they see their priorities
- SLIDE 7: This long term strategy is an important consideration for Scottish Water when they are thinking about putting their 2027-2033 Business Plan together – everything they do in this shorter period will of course link to the longer term planning too.
- Scottish Water can choose to invest in service enhancements e.g. they could choose to build a new water treatment works now but there would be a few things to consider:

93. this may mean that customers pay more now for projects that won't be completed for 10 years
94. it could mean that by investing now this would save customers money on future maintenance (like maintain your car)
95. costs may be more in the future for materials
96. there may be technological advancements that make things cheaper

    1. What are your views on this kind of longer term investment

  1. Are there any of the priorities that we talked about before that you would push to the longer term (toggle back to Slide 5)
  2. Are there any of the priorities that we talked about before that you would want to start now even if the benefit was not seen immediately (toggle back to slide 5)

THANK AND CLOSE

- Thank everyone for coming and any questions before the next sessions
- Remind everyone of the timings for the next session
- Close

Rural/Remote Online Session 2: Community Discussion Guide (60 minutes)

Welcome Back5 Mins (5)

- Introductions and reminders
  - explain that we are an independent, impartial research agency
  - no right or wrong answers and no comments are attributed to you by name
  - keen to hear from everyone in the Zoom room
  - MRS Code of Conduct
- As you know, this is the second session we are together. Last time we really drilled down on what you wanted Scottish Water to focus on in 2027-2033 and this time we will show you some high level investment scenarios of what Scottish Water might concentrate on during this period
- Please remember that this isn't their Business Plan but it's been put together to provide a starting point for a conversation so that you can tell us what is and isn't important to you
  - looking for your honest opinions
  - it's fine to agree or disagree with others in your group
- Take the register to show who is back in the Zoom room

Scottish Water VFM10 Mins (15)

- For the second pre-task, we also asked you to dig out your council tax bill so that you could see how much you pay for water and wastewater services so let's focus on this first
- What did you think about how much you currently paid (Bill Payers)
  - Good VFM or not and why did you feel this
  - Listen for comments about household finances and affordability and prompt accordingly
    - How do you feel about how much you pay for your water in the context of other household finances (future customers think about your personal finances – mobile bills, transport, etc)?
    - And how do you think that might change in the next 5 years?
    - And how has that changed over the last few years – does anyone remember any changes in water costs – what do you remember, what impact did this have on you/your household

Explore high level investment scenario25 Mins (40)

Introduce initial Investment Scenario - this will be AQUA (Scenario 2) and will not have individual costs attached at this stage.

- SLIDE 8B: On the slide you can see some more detail about what Scottish Water could do during 2027-2033 to fit with the long term strategy and meet those challenges. As you will have heard at the webinar, you can see somethings on the slide here are required (so SW must deliver these) and somethings are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is the choice areas we want to focus our discussions on in these scenarios.
- MODERATOR – INTRODUCE AQUA SCENARIO AND TALK THEM THROUGH THE SLIDE
  - Overall, what do you feel was good about this?
  - Overall, what do you feel was not good about this?
  - What would you want to change, if anything?
- How well does it fit your needs as a rural/remote customer for 2027-2033 - that's 3 years time so think about what your life will be like in 3 years (probe future customers who might then be actual customers)
  - Why do you say this?
    - When you are thinking about whether this is what you want/need, are you thinking about this as a service user, community member, for the environment
    - Which bits drive acceptance/non acceptance - water or wastewater elements?
    - Investment areas – ambitious enough or not?
    - Targets – ambitious enough or not?

FOCUS ON DIFFERENT PARTS OF SLIDE 8B

- Let's now break this down and get your views on each part – explore 'Looking after assets', "Tap water source of pride', 'Quality of rivers/seas', 'Scottish Water playing key part in economy'
  - For each part – be led by participants:
    - How do you feel about Scottish Water concentrating on this investment area?
    - What is good the individual elements
    - What is not good about the individual elements
    - How do you feel about the fact that some of this investment won't directly affect you and will focus on improvements in urban/suburban areas
      - Do you support these investments – yes or no, why

Intergenerational equality

- Remember we talked about long term choices at the end of the first session and that Scottish Water need to balance the amount of investment they make now in services and infrastructure with the amount of money it gets from charges
- We gave you the example that Scottish Water can choose to invest in service enhancements e.g. they could build a new water treatment works but this may mean that customers pay more now for projects that won't be completed for 10 years or more so in this scenario Future Customer would benefit from this investment even though they haven't paid bills
- The alternative is that Scottish Water do not build the new water treatment works right away so costs don't rise now but this may mean that the services are not future proofed and that any costs rises happen at a later date when the project takes place – this would mean that future customers would pay these costs and these could well be higher if existing infrastructure has become degraded OR new technology might provide cost efficiencies
- Who would want to make investment now and have higher bills now even if they didn't directly benefit from these longer term projects
  - Why would you or wouldn't you want to do this
  - What's driving your choice
  - Are there any investment areas that you would be definitely want Scottish Water to do now OR definitely not do now
- Are there any investment areas that you would definitely want Scottish Water to do now OR definitely not want Scottish Water to do now – as rural/remote customers

Charging Impact (BILL PAYERS) and alternatives (ALL)20 Mins (60)

BILL PAYERS ONLY: SLIDE 9: Charging impact of this plan AND SLIDE 9B Overall plan with overall cost

- On Slide 9a you can see how much each household pays for their water in each council tax band so take a look at what band you are in and it should show approximately what you are paying for your water. A reminder that any discounts you receive may not be exactly these 25% or 35% as it is dependent on your circumstances – these are just examples.
- Then look at Slide 9b. This is an approximation of the amount your bills might increase by between 2027 and 2033 if Scottish Water were to deliver scenario AQUA. Please note these are just examples of what an increase might look like – things like inflation over the next few years are unknown – so this does NOT mean your bill will increase by exactly this amount but it does reflect the cost of achieving the investment outcomes in this scenario (AQUA).
- The bill increases are spread over time; this means bills goes up each year. Slide 9b shows how much it goes up by on average, every year. So looking at this example box on the screen, if you were in CT Band A with no discounts, you would pay on average £18 more than you did the year before, every year

between 2027 and 2033. So that means by the time you get to 2033, you would be paying £107 more per year, than you would have paid in 2027. [moderator note, some of the 6 year numbers (including this one) will be out slightly this is due to rounding]

- Please jot down the increase numbers, both annual and over the 6 years, that are most relevant to you.
- How reasonable is this increase to you (Bill Payers)
- Why do you say this?
- How affordable is this increase to you (Bill Payers)
- If not affordable, what would you suggest Scottish Water should take out?
  - If affordable, is there anything else you would want them to do?

ALL: Other Scenarios – Higher/Lower scenarios with costs attached (Turquoise – Option 1 and Cobalt – Option 3)

- SLIDE 10a and b AND 11a and b: Other Scenarios with cost implications
- BILL PAYERS: ASK RESPONDANTS TO TAKE NOTE OF THE BILL AMOUNTS WHEN GOING THROUGH SLIDES, SIMILAR TO SCENARIO AQUA. THIS IS SO THEY HAVE A NOTE OF ALL COST IMPLICATIONS FOR ALL SCENARIOS WHEN COMING TO THE END OF SESSION.
- Scottish Water could deliver more or less investment than we have discussed and these options would have higher or lower cost implications for customers so we want to share with you what these other potential investment scenarios could look like. As discussed, these are draft outlines and approximate charging implications but designed to provide an idea of the options being considered by Scottish Water
  - SHOW COBALT HIGHER OR TURQOUISE LOWER – TALK THROUGH AND POINT OUT DIFFERENCES TO ALL PARTICIPANTS (ROTATE)
    - How do you feel about Scottish Water delivering this plan that would be higher/lower investment and BILL PAYERS higher/lower charging implications for customers
      - How happy/unhappy would you be?
      - What is good about this scenario?
      - What is not good about this scenario?
      - BILL PAYERS: Explore with cost – get customers to jot down the potential increase this could have on their household – is this reasonable, affordable
      - NOTE: discussion here will be about which scenario customers favour, why and whether the cost implications are reasonable and affordable
- SLIDE 12: Remember that these are different sets of options and nothing is finalised, with this in mind, are there parts that you would take from the different scenarios or anything that you would add
- Final round the room vote for which option they prefer

Thank and Permissions

- Thank everyone for coming
- Invite any final questions
- Permission to recontact for further research as the plan develops
- Close

Intergenerational Online Discussion Guide (75 Minutes)

Introduction and Warm-Up10 Mins (10)

- Introductions and thanks for participating in the homework and webinar exercises so far
  - explain that we are an independent, impartial research agency
  - no right or wrong answers and no comments are attributed to you by name
  - keen to hear from everyone in the Zoom room
  - MRS Code of Conduct
- Explain that we are here tonight on behalf of Scottish Water who are the provider of your water and wastewater services and we are looking for their views and *input into* their next Business Plan SLIDE 2 and 3
  - During this session we want to briefly revisit some of the information you gave us in the homework exercise so that we can really understand what is important to you
  - Then we will show some of the high level investment options that were shared in the homework exercise but please remember that these are not final plans and have been designed for us to have a discussion around what is and isn't important to you
  - You are a family group and you were specially recruited because we want to hear the views of different generations and see how your views or opinions differ – this is particularly important because Scottish Water need to think about how they balance the short and long term investment needs that might affect each of you differently. For some of the younger family who are not paying council tax (and water costs are part of this bill), you may feel differently than the other members of the family who are paying so we are interested to see what you all think
  - We are looking for your honest opinions and just as you would disagree round your Xmas dinner table, please know that it's fine to agree or disagree or debate in this session!
- Let's go round the Zoom room and introduce ourselves
  - Name
  - Who lives with who
  - How does where you live affect your views on water e.g. urban/rural
  - Favourite drink

Brief overview of thoughts on Scottish Water15 Mins (25)

- For a moment, we want you to transport yourself back to before you attended the webinar:
  - What did you know about Scottish Water before that?
  - What words did you use to describe Scottish Water

- And thinking about right now, how do you feel about Scottish Water and the service they provide, the work they do in the community and for the environment – on a scale of 1-7 where 1 is they are not good/need to improve and 7 is they are brilliant
  - Explore reasons for scores
    - Service score - Are people thinking about the service they personally receive – what is driving the score and why
    - Community score - Are people thinking about any community projects or needs – what is driving the score and why
    - Environment score - Are people thinking about the wider environment -– what is driving the score and why
  - *Any differences in generations*
- SLIDE 5: From your collective responses from the homework exercise, we have collated those three layers of 1) what is absolutely essential for Scottish Water to deliver, 2) what would be nice but not essential for them to deliver and 3) what would be the icing on the cake – anything exceptional
- Now that you have been through the webinar and heard more from Scottish Water, we want to review these and see if everything is still relevant and if you would add/take away anything from these layers. MODERATOR NOTE THAT ALL OF THESE AREAS MAY NOT BE INCLUDED IN HIGH LEVEL INVESTMENT SCENARIOS SHOWN LATER – SW WILL PROVIDE A STATEMENT TO EXPLAIN WHY
- SLIDE 5a = Essential for Scottish Water to Deliver:
  - Tell us more about why these are the most important/expected services
  - These were collective response but were there any different views here – what and why
  - What sort of investment would you expect to be made into these areas
  - Improving network has been mentioned spontaneously by customers in the homework – probe more on what is meant by this – enhancing or maintenance
  - What difference would investment in these areas make to you, the community you belong to, the environment, other Scottish citizens
- SLIDE 5b = Nice to have but not essential:
  - Tell us more about why these services are nice to have
  - These were collective response but were there any different views here – what and why
  - What sort of investment would you expect to be made into these areas
  - What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
  - Meters have been mentioned spontaneously by customers in the homework – how do people feel about unmetered usage e.g. use as much as I like without being charge more
- SLIDE 5c = Icing on the cake – anything exceptional
  - Tell us more about why these services would be the icing on the cake

- These were collective response but were there any different views here – what and why
- What sort of investment would you expect to be made into these areas
- What difference would investment in these areas make to you, the community, the environment, other Scottish citizens
- *Extra probe: odour and pressure not mentioned in pre-task – is this important to people*
- *Any differences in generations*

Explore first high level investment scenario25 Mins (50)

- SLIDE 8B: On the slide you can see some more detail about what Scottish Water could do during 2027-2033 to fit with the long term strategy and meet those challenges. As you will have heard at the webinar, you can see somethings on the slide here are required (so SW must deliver these) and somethings are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is the choice areas we want to focus our discussions on in these scenarios.
- MODERATOR – INTRODUCE AQUA SCENARIO AND TALK THEM THROUGH THE SLIDE
  - Overall, what do you feel was good about this?
  - Overall, what do you feel was not good about this?
  - What would you want to change, if anything?
  - *Important prompt - any differences in generations – listen to see if they talk about wanting things to be done quicker/slower*

- FOCUS ON DIFFERENT PARTS OF SLIDE 8B - Let's now break this down and get your views on each part – explore 'Looking after assets', "Tap water source of pride', 'Quality of rivers/seas', 'Scottish Water playing key part in economy'
  - For each part – be led by participants as to where to start but ensure all areas are explored:
    - How do you feel about Scottish Water concentrating on this investment area?
    - What is good about the individual elements
    - What is not good about the individual elements

Overall review of this high-level investment scenario with costs attached SLIDE 9a and SLIDE 9B:

- On Slide 9a you can see how much each household pays for their water in each council tax band so take a look at what band you are in and it should show approximately what you are paying for your water. A reminder that any discounts you receive may not be exactly these 25% or 35% as it is dependant on your circumstances – these are just examples.

- Then look at Slide 9b. This is an approximation of the amount your bills might increase by between 2027 and 2033 if Scottish Water were to deliver scenario AQUA. Please note these are just examples of what an increase might look like – things like inflation over the next few years are unknown – so this does NOT mean your bill will increase by exactly this amount but it does reflect the cost of achieving the investment outcomes in this scenario (AQUA).
- The bill increases are spread over time; this means bills goes up each year. Slide 9b shows how much it goes up by on average, every year. So looking at this example box on the screen, if you were in CT Band A with no discounts, you would pay on average £18 more than you did the year before, every year between 2027 and 2033. So that means by the time you get to 2033, you would be paying £107 more per year, than you would have paid in 2027. [moderator note, some of the 6 year numbers (including this one) will be out slightly this is due to rounding]
- Please jot down the increase numbers, both annual and over the 6 years, that are most relevant to you.
- How reasonable is this increase to you (Bill Payers)
- Why do you say this?
- How affordable is this increase to you (Bill Payers)
- If not affordable, what would you suggest Scottish Water should take out?
  - If affordable, is there anything else you would want them to do?

Intergenerational equality

- At the beginning we talked about how Scottish Water need to balance the amount of investment they make now in services and infrastructure with the amount of money it gets from charges
- Scottish Water can choose to invest in service enhancements e.g. they could choose to build a new water treatment works now but there would be a few things to consider:
  - this may mean that customers pay more now for projects that won't be completed for 10 years and so Future Customers would benefit from this investment even though they haven't paid bills
  - it could mean that by investing now this would save customers money on future maintenance (like maintenance of your car)
  - costs may be more in the future for materials or of existing infrastructure becomes degraded but there may be technological advancements that make things cheaper
- OR the alternative is that Scottish Water do not build the new water treatment works right away so costs don't rise now but
  - this may mean that the services are not future proofed
  - any costs rises would happen at a later date when the project takes place
  - future customers would pay these costs

  - costs may be more in the future for materials or of existing infrastructure becomes degraded but there may be technological advancements that make things cheaper
- What are your views on this kind of longer term investment and these choices
  - Are there any of the priorities that we talked about before that you would push to the longer term
  - Are there any of the priorities that we talked about before that you would want to start now even if the benefit was not seen immediately
- Who would want to make investment now and have higher bills now even if they didn't directly benefit from these longer term projects
  - Why would you or wouldn't you want to do this
  - What's driving your choice
  - Are there any investment areas that you would definitely want Scottish Water to do now OR definitely not do now
  - *Any differences in generations – listen to see if they talk about wanting things to be done quicker/slower*

Other scenarios – Higher/Lower20 Mins (70)

- SLIDE 10a and b AND 11a and b: Other Scenarios with cost implications
- ASK RESPONDANTS TO TAKE NOTE OF THE BILL AMOUNTS WHEN GOING THROUGH SLIDES, SIMILAR TO SCENARIO AQUA. THIS IS SO THEY HAVE A NOTE OF ALL COST IMPLICATIONS FOR ALL SCENARIOS WHEN COMING TO THE END OF SESSION.
- Scottish Water could deliver more or less investment than we have discussed and these options would have higher or lower cost implications for customers so we want to share with you what these other potential investment scenarios could look like. As discussed, these are draft outlines and approximate charging implications but designed to provide an idea of the options being considered by Scottish Water
  - SHOW COBALT HIGHER OR TURQOUISE LOWER – TALK THROUGH AND POINT OUT DIFFERENCES TO ALL PARTICIPANTS (ROTATE)
    - How do you feel about Scottish Water delivering this plan that would be higher/lower investment and higher/lower charging implications for customers
      - How happy/unhappy would you be?
      - What is good about this scenario?
      - What is not good about this scenario?
      - Explore with cost – get customers to jot down the potential increase this could have on their household – is this reasonable, affordable
      - NOTE: discussion here will be about which scenario customers favour, why and whether the cost implications are reasonable and affordable

- SLIDE 12: Remember that these are different sets of options and nothing is finalised, with this in mind, are there parts that you would take from the different scenarios or anything that you would add
- And any final thoughts on the investment areas and costs that we have discussed
  - *Explore any differences in generations*

Thank and permissions5 Mins (75)

- Any final thoughts/comments
- Ask verbal recontact permissions
- Thank and close

NHH Groups Discussion Guide (90 Minutes)

Introduction and Warm-Up10 Mins

- Introductions and thanks for participating in the homework and webinar exercises so far

97. explain that we are an independent, impartial research agency
98. no right or wrong answers and no comments are attributed to you by name
99. keen to hear from everyone in the Zoom room
100. MRS Code of Conduct

- You have been invited along tonight as you run a Business and Scottish Water provide the operational services for provision of your clean and wastewater for that Business. We want you to keep that Business hat on tonight and we will keep reminding you of this by putting our Business hat on too (Moderator keep your physical Business Hat close as a visual reminder)
- You may know that Scottish Water operate differently to your gas and energy suppliers as they are owned by the people of Scotland and are accountable to the Scottish Government. You don't get a bill directly from Scottish Water. Businesses, like you, who receive services from Scottish Water pay for them through their Licensed Provider, and the amount paid is usually linked to a water meter and business property rateable value. We are not discussing the customer services or billing aspects that relate to the Licensed Provider but we are looking for your views and *input into* the operational aspects of their next Business Plan SLIDE 2 and 3

101. During this session, we will revisit some of the information you gave us in the homework exercise so that we can really understand what is important to you as business customers
102. We will also show some of the high level investment areas that were shared in the homework exercise but please remember that these are not final plans and have been designed for us to have a discussion around what is and isn't important to you

- We are looking for your honest opinions

103. It's fine to agree or disagree with others in your group

- Let's go round the Zoom room and introduce ourselves

104. Name
105. What is the nature of your business
106. How many staff
107. How long has it been going
108. Where are you based in Scotland

Baseline perceptions of Scottish Water10 Mins (20)

- Remind everyone that we are here to discuss what should go into the 2027-2034 Business Plan for Scottish Water but first we want to find out a bit about what you knew and thought about Scottish Water before you attended the webinar

109. So just for a moment transport yourself back to before you attended the webinar:
    1. What did you know about Scottish Water before that?
    2. As a business customer, what words did you use to describe Scottish Water
    3. Did anything you hear in the webinar or in the chat surprise you or change your view of Scottish Water in any way?

- And thinking about right now, how do you feel about Scottish Water and the service they provide, the work they do in the community and for the environment– on a scale of 1-7 where 1 is they are not good/need to improve and 7 is they are brilliant

110. Explore reasons for scores
    1. Service score - Are people thinking about their own service – what is driving the score and why
    2. Community score - Are people thinking about any community projects – what is driving the score and why and how are you defining ‘community’ e.g. business support, vulnerable customers, other
    3. Environment score - Are people thinking about the wider environment -– what is driving the score and why and how are you defining environment e.g. net zero, commitment to nature or other

111. *Probe any particular NHH/Business issues*

Customer led priorities25 Mins (45)

- SLIDE 5: From the business responses from the homework exercise, we have collated those three layers of 1) what it is essential for Scottish Water to do, 2) what would be nice/useful but not essential and 3) what would be exceptional.
- Now that you have been through the webinar and heard more from Scottish Water, we want to review these and see if everything is still relevant and if you would add/take away anything from these layers. MODERATOR NOTE - all of these areas may not be included in high level investment scenarios shown later. SW will provide a statement to explain
- SLIDE 5a = Essential for Scottish Water to Deliver:

112. Tell us more about why these are the most important/expected services
113. These were collective business responses but were there any different views here – what and why

114. What sort of investment would you expect to be made into these areas
115. What difference would investment in these areas make to your business, the community, the environment, other Scottish citizens

- SLIDE 5b = Nice to have but not essential:

116. Tell us more about why these services are nice to have
117. These were collective business responses but were there any different views here – what and why
118. What sort of investment would you expect to be made into these areas
119. What difference would investment in these areas make to your business, the community, the environment, other Scottish citizens

- SLIDE 5c = Icing on the cake – anything exceptional

120. Tell us more about why these services are exceptional
121. These were collective business responses but were there any different views here – what and why
122. What sort of investment would you expect to be made into these areas
123. What difference would investment in these areas make to your business, the community, the environment, other Scottish citizens
124. *Probe any particular NHH/Business issues*

- Introduce initial Investment Scenario - this will be AQUA (Scenario 2) and will not have individual costs attached at this stage.
- SLIDE 8B: On the slide you can see some more detail about what Scottish Water could do during 2027-2033 to fit with the long term strategy and meet those challenges. As you will have heard at the webinar, you can see somethings on the slide here are required (so SW must deliver these) and somethings are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is the choice areas we want to focus our discussions on in these scenarios.
- MODERATOR – INTRODUCE AQUA SCENARIO AND TALK THEM THROUGH THE SLIDE

125. Overall, what do you feel was good about this?
126. Overall, what do you feel was not good about this?
127. What would you want to change, if anything?

- How well does it fit your spontaneous Business needs for 2027-2033 - that’s 3 years time so think about what the Business will be doing in 3 years time

FOCUS ON DIFFERENT PARTS OF SLIDE 8B

- Let’s now break this down and get your views on each part – explore 'Looking after assets’, “Tap water source of pride’, ‘Quality of rivers/seas’, ‘Scottish Water playing key part in economy’

128. For each part – be led by participants as to where to start but ensure all areas are explored:

1. How do you feel about Scottish Water concentrating on this investment area?
2. What is good the individual elements
3. What is not good about the individual elements
4. How will this impact you as a Business customer
5. How would it impact you if they didn't do this

1. Do you support these investments – yes or no, why

Charging Impact and alternatives 20 Mins (85)

SLIDE 9: Charging impact of this plan AND SLIDE 9B Overall plan with overall cost

- Think about your business costs and how much you pay for your water – the operational part not to the Licenced Provider.
- Then look at Slide 9b. This is an approximation of the impact on charges if Scottish Water were to deliver everything we have just discussed, how reasonable or affordable is this increase to you as a Business customer. Please remember that this is based on wholesale charges and doesn't include the Licensed Provider costs of billing/customer service
- How reasonable is this increase to you
- Why do you say this?
- How affordable is this increase to you
- If not affordable, what would you suggest Scottish Water should take out?

129. If affordable, is there anything else you would want them to do?
130. Generally what do you think about the cost of your Business water bills and how would this affect your perceptions of value for money

- SLIDE 10a and b AND 11a and b: Other Scenarios with cost implications
- **ASK RESPONDANTS TO TAKE NOTE OF THE BILL AMOUNTS WHEN GOING THROUGH SLIDES, SIMILAR TO SCENARIO AQUA.** THIS IS SO THEY HAVE A NOTE OF ALL COST IMPLICATIONS FOR ALL SCENARIOS WHEN COMING TO THE END OF SESSION.
- Scottish Water could deliver more or less investment than we have discussed and these options would have higher or lower cost implications for business customers so we want to share with you what these other potential investment scenarios could look like. As discussed, these are draft outlines and approximate charging implications but designed to provide an idea of the options being considered by Scottish Water

131. SHOW COBALT HIGHER OR TURQOUISE LOWER – TALK THROUGH AND POINT OUT DIFFERENCES TO ALL PARTICIPANTS (ROTATE)

    1. How do you feel about Scottish Water delivering this plan that would be higher/lower investment and higher/lower charging implications for business customers

1. How happy/unhappy would you be?

2. What is good about this scenario?
3. What is not good about this scenario?
4. NOTE: discussion here will be about which scenario customers favour, why and whether the cost implications are reasonable and affordable

- SLIDE 12: Remember that these are different sets of options and nothing is finalised, with this in mind, are there parts that you would take from the different scenarios or anything that you would add
- And any final thoughts on the investment areas and costs that we have discussed

Thank and Permissions 5 Mins (90)

- Thank everyone for coming
- Invite any final questions
- Permission to recontacted to be included in further research as the plan develops
- Close

NHH Depths Discussion Guide (90 Minutes)

Introduction and Warm-Up5 Mins

- Introductions and thanks for participating in the homework and webinar exercises so far

132. explain that we are an independent, impartial research agency
133. no right or wrong answers and no comments are attributed to you by name
134. MRS Code of Conduct

- You have been invited along tonight as you run a Business and Scottish Water provide the operational services for provision of your clean and wastewater for that Business. We want you to keep that Business hat on tonight and we will keep reminding you of this by putting our Business hat on too (Moderator keep your physical Business Hat close as a visual reminder)
- You may know that Scottish Water operate differently to your gas and energy suppliers as they are owned by the people of Scotland and are accountable to the Scottish Government. You don't get a bill directly from Scottish Water. Businesses, like you, who receive services from Scottish Water pay for them through their Licensed Provider, and the amount paid is usually linked to a water meter and business property rateable value. We are not discussing the customer services or billing aspects that relate to the Licensed Provider but we are looking for your views and *input into* the operational aspects of Scottish Water's next Business Plan SLIDE 2 and 3

135. During this session, we will revisit some of the information you gave us in the homework exercise so that we can really understand what is important to you as business customers
136. We will also show some of the high level investment areas that were shared in the homework exercise but please remember that these are not final plans and have been designed for us to have a discussion around what is and isn't important to you
137. We are looking for your honest opinions
138. It's fine to agree or disagree with others in your group

- Please introduce yourself

139. Name
140. What is the nature of your business
141. How many staff
142. How long has it been going
143. Where are you based in Scotland

Baseline perceptions of Scottish Water5 Mins (10)

- We are here to discuss what should go into the 2027-2034 Business Plan for Scottish Water but first we want to find out a bit about what you knew and thought about Scottish Water before you attended the webinar

144. So just for a moment transport yourself back to before you attended the webinar:
    1. What did you know about Scottish Water before that?
    2. As a business customer, what words did you use to describe Scottish Water
    3. Did anything you hear in the webinar or in the chat surprise you or change your view of Scottish Water in any way?

- And thinking about right now, how do you feel about Scottish Water and the service they provide, the work they do in the community and for the environment– on a scale of 1-7 where 1 is they are not good/need to improve and 7 is they are brilliant

145. Explore reasons for scores
    1. Service score - Are people thinking about their own service – what is driving the score and why
    2. Community score - Are people thinking about any community projects – what is driving the score and why and how are you defining 'community' e.g. business support, vulnerable customers, other
    3. Environment score - Are people thinking about the wider environment -– what is driving the score and why and how are you defining environment e.g. net zero, commitment to nature or other

146. *Probe any particular NHH/Business issues*

Customer led priorities20 Mins (30)

- SLIDE 5: From the business responses from the homework exercise, we have collated those three layers of 1) what it is essential for Scottish Water to do, 2) what would be nice/useful but not essential and 3) what would be exceptional.
- Now that you have been through the webinar and heard more from Scottish Water, we want to review these and see if everything is still relevant and if you would add/take away anything from these layers. MODERATOR NOTE - all of these areas may not be included in high level investment scenarios shown later. SW will provide a statement to explain
- SLIDE 5a = Essential for Scottish Water to Deliver:

147. Tell us more about why these are the most important/expected services
148. These were collective business responses but were there any different views here – what and why
149. What sort of investment would you expect to be made into these areas
150. What difference would investment in these areas make to your business, the community, the environment, other Scottish citizens

- SLIDE 5b = Nice to have but not essential:

151. Tell us more about why these services are nice to have

152. These were collective business responses but were there any different views here – what and why
153. What sort of investment would you expect to be made into these areas
154. What difference would investment in these areas make to your business, the community, the environment, other Scottish citizens

- SLIDE 5c = Icing on the cake – anything exceptional

155. Tell us more about why these services are exceptional
156. These were collective business responses but were there any different views here – what and why
157. What sort of investment would you expect to be made into these areas
158. What difference would investment in these areas make to your business, the community, the environment, other Scottish citizens
159. *Probe any particular NHH/Business issues*

Explore high level investment scenario20 Mins (50)

- Introduce initial Investment Scenario - this will be AQUA (Scenario 2) and will not have individual costs attached at this stage.
- SLIDE 8B: On the slide you can see some more detail about what Scottish Water could do during 2027-2033 to fit with the long term strategy and meet those challenges. As you will have heard at the webinar, you can see somethings on the slide here are required (so SW must deliver these) and somethings are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is the choice areas we want to focus our discussions on in these scenarios.
- MODERATOR – INTRODUCE AQUA SCENARIO AND TALK THEM THROUGH THE SLIDE

160. Overall, what do you feel was good about this?
161. Overall, what do you feel was not good about this?
162. What would you want to change, if anything?

- How well does it fit your spontaneous Business needs for 2027-2033 - that’s 3 years time so think about what the Business will be doing in 3 years time

FOCUS ON DIFFERENT PARTS OF SLIDE 8B

- Let’s now break this down and get your views on each part – explore 'Looking after assets’, “Tap water source of pride’, ‘Quality of rivers/seas’, ‘Scottish Water playing key part in economy’

163. For each part – be led by participants as to where to start but ensure all areas are explored:
    1. How do you feel about Scottish Water concentrating on this investment area?
    2. What is good the individual elements
    3. What is not good about the individual elements

4. How will this impact you as a Business customer
5. How would it impact you if they didn't do this

1. Do you support these investments – yes or no, why

Charging Impact and alternatives 10 Mins (60)

SLIDE 9: Charging impact of this plan AND SLIDE 9B Overall plan with overall cost

- Think about your business costs and how much you pay for your water – the operational part not to the Licenced Provider.
- Then look at Slide 9b. This is an approximation of the impact on charges if Scottish Water were to deliver everything we have just discussed, how reasonable or affordable is this increase to you as a Business customer. Please remember that this is based on wholesale charges and doesn't include the Licensed Provider costs of billing/customer service
- How reasonable is this increase to you
- Why do you say this?
- How affordable is this increase to you
- If not affordable, what would you suggest Scottish Water should take out?

164. If affordable, is there anything else you would want them to do?
165. Generally what do you think about the cost of your Business water bills and how would this affect your perceptions of value for money

- SLIDE 10a and b AND 11a and b: Other Scenarios with cost implications
- ASK RESPONDANTS TO TAKE NOTE OF THE BILL AMOUNTS WHEN GOING THROUGH SLIDES, SIMILAR TO SCENARIO AQUA. THIS IS SO THEY HAVE A NOTE OF ALL COST IMPLICATIONS FOR ALL SCENARIOS WHEN COMING TO THE END OF SESSION.
- Scottish Water could deliver more or less investment than we have discussed and these options would have higher or lower cost implications for business customers so we want to share with you what these other potential investment scenarios could look like. As discussed, these are draft outlines and approximate charging implications but designed to provide an idea of the options being considered by Scottish Water

166. SHOW COBALT HIGHER OR TURQOUISE LOWER – TALK THROUGH AND POINT OUT DIFFERENCES TO ALL PARTICIPANTS (ROTATE)

    1. How do you feel about Scottish Water delivering this plan that would be higher/lower investment and higher/lower charging implications for business customers

1. How happy/unhappy would you be?
2. What is good about this scenario?
3. What is not good about this scenario?

4. NOTE: discussion here will be about which scenario customers favour, why and whether the cost implications are reasonable and affordable

- SLIDE 12: Remember that these are different sets of options and nothing is finalised, with this in mind, are there parts that you would take from the different scenarios or anything that you would add
- And any final thoughts on the investment areas and costs that we have discussed

Thank and Permissions

- Thank you for participating
- Invite any final questions
- Permission to recontacted to be included in further research as the plan develops
- Close

Appendix E

Stimulus Deck

Scottish Water
Trusted to serve Scotland

Slide 2

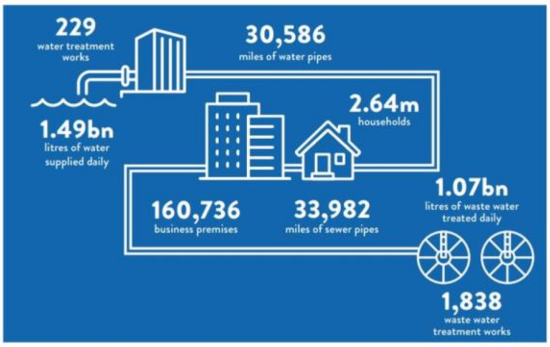
Who we are and what we do

Scottish Water is **publicly owned.**

We **provide water to and remove waste water** from homes and businesses across Scotland.

We serve over **5 million people** living in 2.5 million households, and over **150,000 businesses** .

We are custodians of Scotland's water resources and maintain things like **reservoirs, pipework, sewers & treatment works**. We are responsible for the **network of pipes** up to the boundary of your property.



Slide 3

Scottish Water
Trusted to serve Scotland

How Scottish Water Plans for the Future

The **25-year strategy** sets out what we want to deliver for customers, communities and the environment

The **6-year business plans** to deliver what we have set out in the Long-Term Strategy

- Business Plan development is overseen by the Water Industry Commission for Scotland (WICS) as the economic regulators.
- It determines what needs to be done to maintain or improve service and how much we charge customers for our services.

One of the most important parts of the process is making sure that we listen to our customers – and that we incorporate their needs and expectations into our Plan.

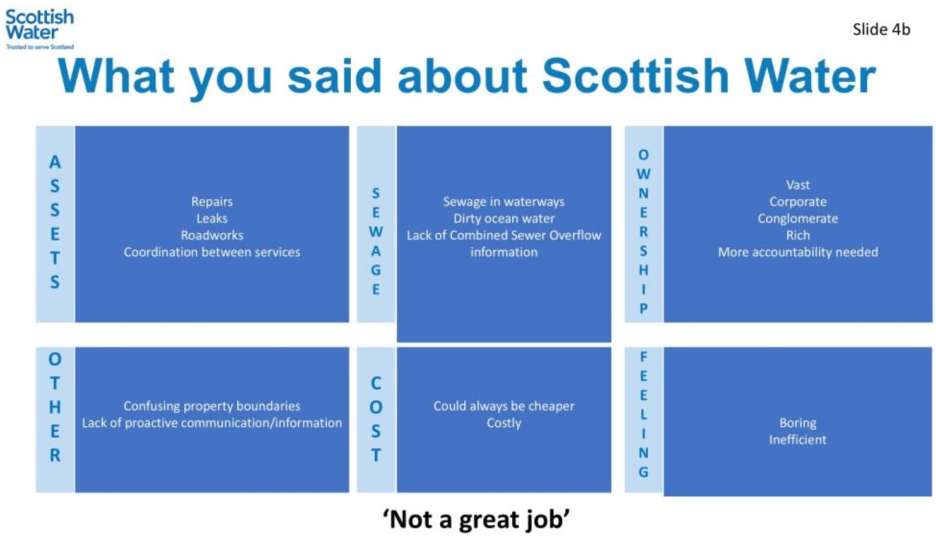
Scottish Water
Trusted to serve Scotland

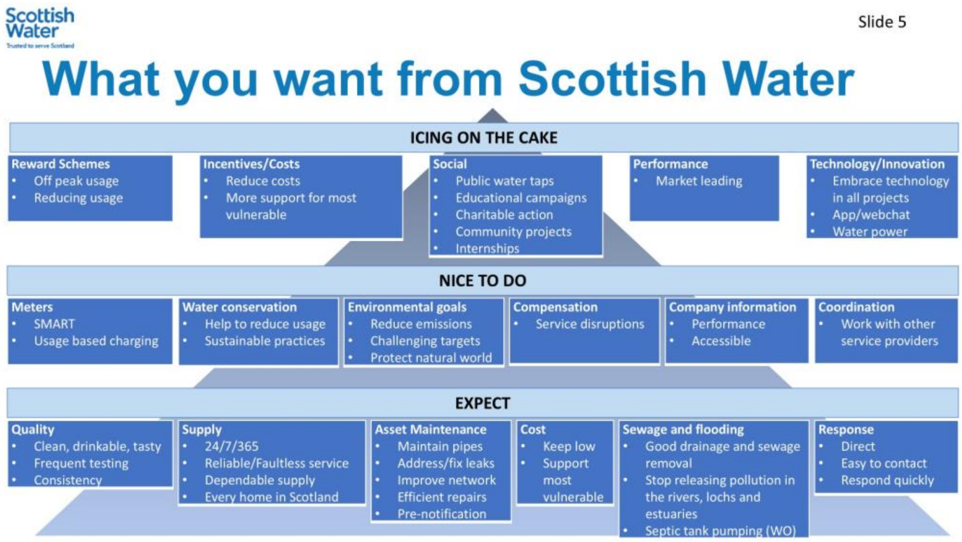
Slide 4a

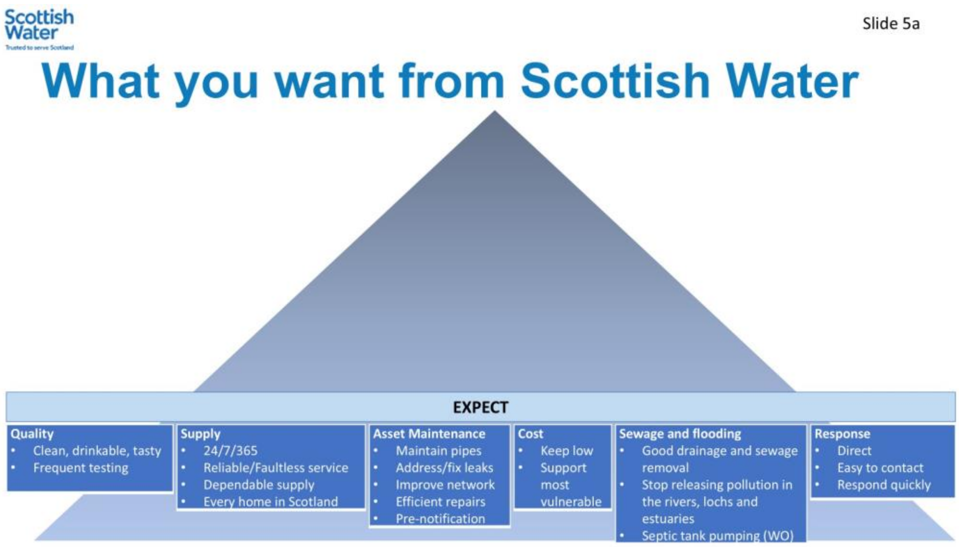
What you said about Scottish Water

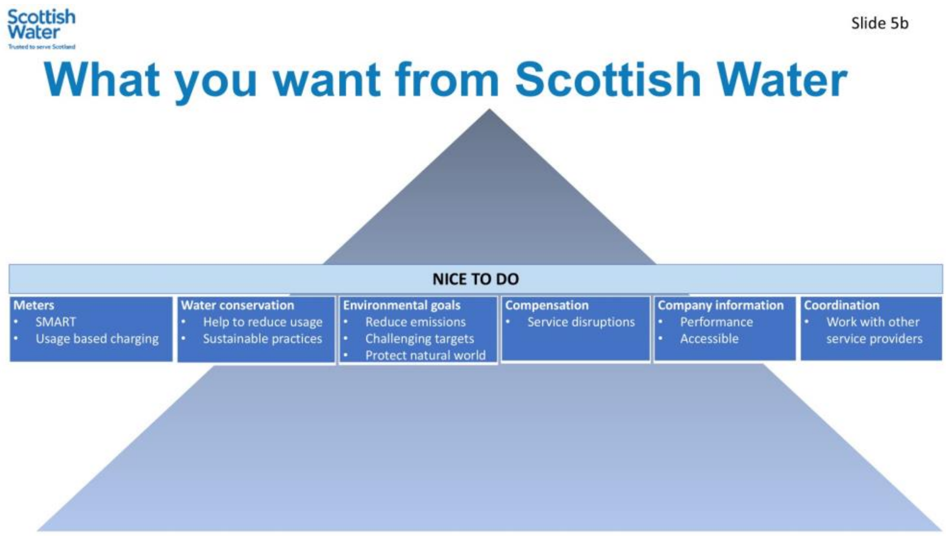
WATER	Clean tap water Safe to drink Pure Fresh water Tasty Crisp Yummy Good quality Best in the world From the hills Accessible – walls of water at events	ENVIRONMENT	Environmentally aware Net zero goals Encourage responsible usage	OWNERSHIP	Scottish Better than England Public ownership For the public good
SUPPLY	Trustworthy Reliable supply Consistent supply Invisible	COST	Cost is within council tax	FEELING	Pride Respectful Innovative Countryside Community No negative news

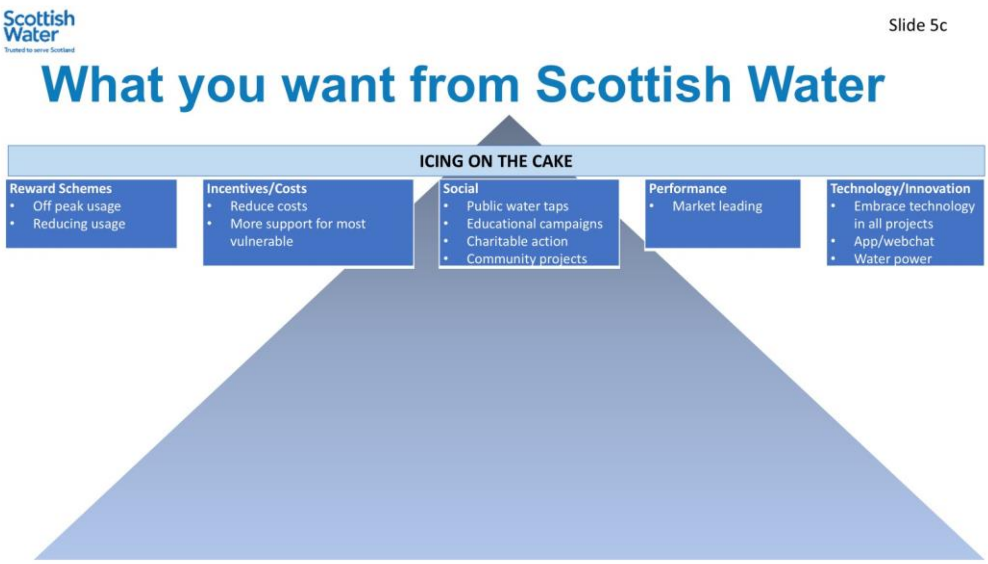
'Excited coming home to get a glass of water'

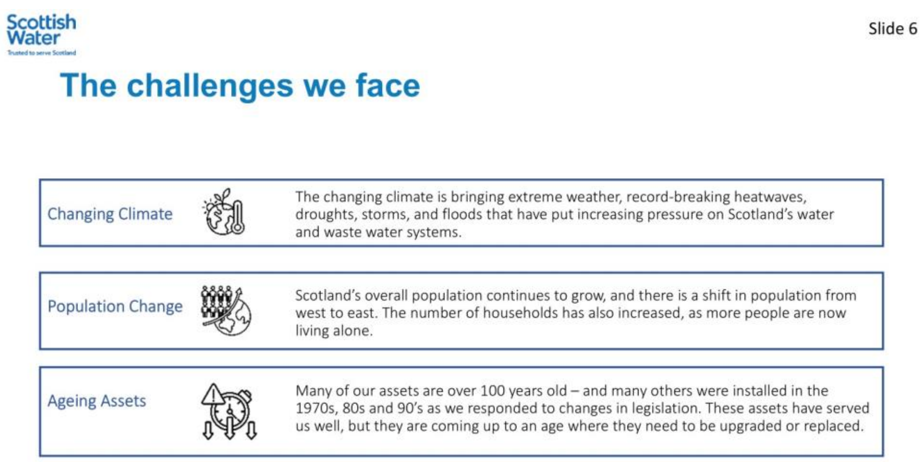

Scottish Water
Trusted to serve Scotland
Slide 4b
What you said about Scottish Water
ASSETS
Repairs
Leaks
Roadworks
Coordination between services
SEWAGE
Sewage in waterways
Dirty ocean water
Lack of Combined Sewer Overflow information
OWNERSHIP
Vast
Corporate
Conglomerate
Rich
More accountability needed
OTHER
Confusing property boundaries
Lack of proactive communication/information
COST
Could always be cheaper
Costly
FEELING
Boring
Inefficient
'Not a great job'


Scottish Water
Trusted to serve Scotland
Slide 5
What you want from Scottish Water
ICING ON THE CAKE
Reward Schemes
Off peak usage
Reducing usage
Incentives/Costs
Reduce costs
More support for most vulnerable
Social
Public water taps
Educational campaigns
Charitable action
Community projects
Internships
Performance
Market leading
Technology/Innovation
Embrace technology in all projects
App/webchat
Water power
NICE TO DO
Meters
SMART
Usage based charging
Water conservation
Help to reduce usage
Sustainable practices
Environmental goals
Reduce emissions
Challenging targets
Protect natural world
Compensation
Service disruptions
Company information
Performance
Accessible
Coordination
Work with other service providers
EXPECT
Quality
Clean, drinkable, tasty
Frequent testing
Consistency
Supply
24/7/365
Reliable/Faultless service
Dependable supply
Every home in Scotland
Asset Maintenance
Maintain pipes
Address/fix leaks
Improve network
Efficient repairs
Pre-notification
Cost
Keep low
Support most vulnerable
Sewage and flooding
Good drainage and sewage removal
Stop releasing pollution in the rivers, lochs and estuaries
Septic tank pumping (WO)
Response
Direct
Easy to contact
Respond quickly

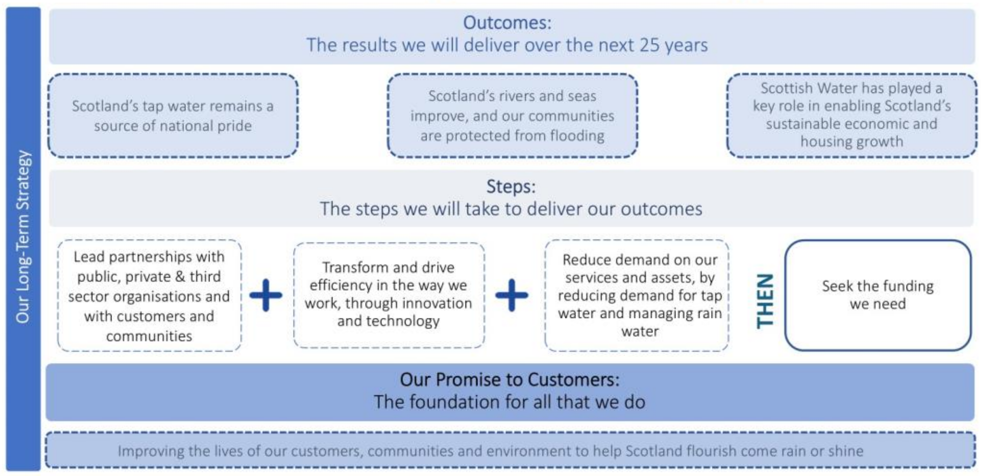

Scottish Water
Trusted to serve Scotland
Slide 5a
What you want from Scottish Water
EXPECT
Quality
Clean, drinkable, tasty
Frequent testing
Supply
24/7/365
Reliable/Faultless service
Dependable supply
Every home in Scotland
Asset Maintenance
Maintain pipes
Address/fix leaks
Improve network
Efficient repairs
Pre-notification
Cost
Keep low
Support most vulnerable
Sewage and flooding
Good drainage and sewage removal
Stop releasing pollution in the rivers, lochs and estuaries
Septic tank pumping (WO)
Response
Direct
Easy to contact
Respond quickly

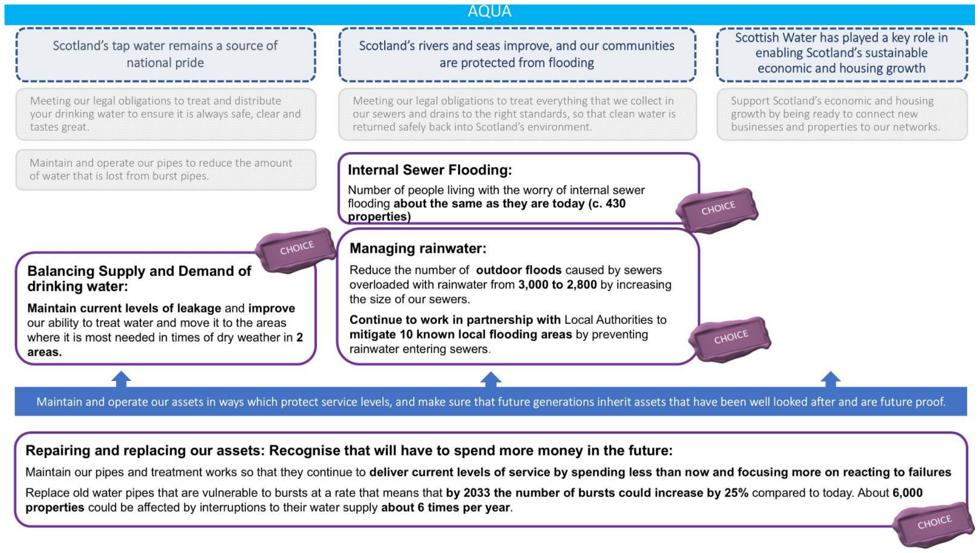

Scottish Water
Trusted to serve Scotland
Slide 5b
What you want from Scottish Water
NICE TO DO
Meters
• SMART
• Usage based charging
Water conservation
• Help to reduce usage
• Sustainable practices
Environmental goals
• Reduce emissions
• Challenging targets
• Protect natural world
Compensation
• Service disruptions
Company information
• Performance
• Accessible
Coordination
• Work with other service providers


Scottish Water
Trusted to serve Scotland
Slide 5c
What you want from Scottish Water
ICING ON THE CAKE
Reward Schemes
• Off peak usage
• Reducing usage
Incentives/Costs
• Reduce costs
• More support for most vulnerable
Social
• Public water taps
• Educational campaigns
• Charitable action
• Community projects
Performance
• Market leading
Technology/Innovation
• Embrace technology in all projects
• App/webchat
• Water power


Scottish Water
Trusted to serve Scotland
Slide 6
The challenges we face
Changing Climate
The changing climate is bringing extreme weather, record-breaking heatwaves, droughts, storms, and floods that have put increasing pressure on Scotland's water and waste water systems.
Population Change
Scotland's overall population continues to grow, and there is a shift in population from west to east. The number of households has also increased, as more people are now living alone.
Ageing Assets
Many of our assets are over 100 years old – and many others were installed in the 1970s, 80s and 90's as we responded to changes in legislation. These assets have served us well, but they are coming up to an age where they need to be upgraded or replaced.

Slide 7





Scottish Water

Slide 9a

Reference – annual current cost

Council Tax Band	No Discount	Single Person 25% Discount	Full Discount 35%
A	£364	£260	£225
B	£425	£319	£276
C	£486	£364	£316
D	£546	£410	£355
E	£668	£501	£434
F	£789	£592	£513
G	£911	£683	£592
H	£1,093	£820	£710

Scenario AQUA:

Slide 9b

What an increase could look like on your bills between 2027 and 2033

Example: Council Band A (no discount)
- Households would pay on average **£18** more than they did the year before, every year between 2027 and 2033
- By 2033, households would be paying **£107** more per year, than they did in 2027

The increases below are based in 'real terms'. They are presented in terms of value of money today, as we don't know what will happen with future inflation.

Council Tax Band	No Discount		Single Person 25% Discount		Full Discount 35%	
	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027
A	£18	£107	£13	£80	£12	£69
B	£21	£124	£16	£93	£13	£81
C	£24	£142	£18	£107	£15	£92
D	£27	£160	£20	£120	£17	£104
E	£33	£195	£24	£146	£21	£127
F	£38	£231	£29	£173	£25	£150
G	£44	£266	£33	£200	£29	£173
H	£53	£320	£40	£240	£35	£208

TURQUOISE

Scotland's tap water remains a source of national pride

Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.

Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.

Balancing Supply and Demand of drinking water:

Maintain current levels of leakage BUT no change to our ability to treat water and move it to the areas where it is most needed in times of dry weather.

CHOICE

Scotland's rivers and seas improve, and our communities are protected from flooding

Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.

Internal Sewer Flooding

Number of people living with the worry of internal sewer flooding **about the same as they are today (c. 430 properties)**

CHOICE

Managing rainwater

Reduce the number of **outdoor floods** caused by sewers overloaded with rainwater from **3,000 to 2,880** by increasing the size of our sewers.

Continue to work in partnership with Local Authorities to plan how to mitigate known flooding areas in the future by preventing rainwater entering sewers.

CHOICE

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

Repairing and replacing our assets: Recognise that will have to spend more money in the future:

Maintain our pipes and treatment works so that they **continue to deliver current levels of service by spending less than now and focusing more on reacting to failures**

Replace old water pipes that are vulnerable to bursts at a rate that means **by 2033 the number of bursts could double compared to today.** About **12,000 properties** could be affected by interruptions to their water supply **about 6 times per year**.

CHOICE

Scenario TURQUOISE:

What an increase could look like on your bills between 2027 and 2033

Example: Council Band A (no discount)
- Households would pay on average **£8** more than they did the year before, every year between 2027 and 2033
- By 2033, households would be paying **£51** more per year, than they did in 2027

The increases below are based in 'real terms'. They are presented in terms of value of money today, as we don't know what will happen with future inflation.

Council Tax Band	No Discount		Single Person 25% Discount		Full Discount 35%	
	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027
A	£8	£51	£6	£38	£5	£33
B	£10	£59	£7	£44	£6	£38
C	£11	£68	£8	£51	£7	£44
D	£13	£76	£10	£57	£8	£49
E	£16	£93	£12	£70	£10	£60
F	£18	£110	£14	£82	£12	£71
G	£21	£127	£16	£95	£14	£82
H	£25	£152	£19	£114	£16	£99

COBALT

Scotland's tap water remains a source of national pride	Scotland's rivers and seas improve, and our communities are protected from flooding	Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth
Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.	Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.	Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.
Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.		

Internal Sewer Flooding

Number of people living with the worry of internal sewer flooding **will reduce (from c.430 to c. 315 properties)**

CHOICE

Balancing Supply and Demand of drinking water

Reduce levels of leakage and **improve** our ability to treat water and move it to the areas where it is most needed in times of dry weather in **7 areas.**

Modernise water treatment works which are coming to the end of their lives – serving around **900k customers**.

CHOICE

Managing rainwater

Reduce the number of outdoor floods caused by sewers overloaded with rainwater **from 3,000 to 2,800** by increasing the size of our sewers.

Prevent rainwater from entering sewers, by extending partnerships with Local Authorities to deliver **projects at city scale** that help communities adapt to climate change using nature-based solutions, starting in **Edinburgh, Glasgow and Dundee – reducing the flooding risk for up to 200,000 customers**.

CHOICE

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

Repairing and replacing our assets:

Maintain our pipes and treatment works so that they **continue to deliver current levels of service** by **spending the same as now**

Replace old water pipes that are now at the end of their life at a rate that means that **by 2033 the number of bursts could stay the same as today.** About **4,800** properties could be affected by interruptions to their water supply about **6 times per year.**

CHOICE

Scenario COBALT:

What an increase could look like on your bills between 2027 and 2033

Example: Council Band A (no discount)

- Households would pay on average **£31** more than they did the year before, every year between 2027 and 2033
- By 2033, households would be paying **£184** more per year, than they did in 2027

The increases below are based in 'real terms'. They are presented in terms of value of money today, as we don't know what will happen with future inflation.

Council Tax Band	No Discount		Single Person 25% Discount		Full Discount 35%	
	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027	Average annual increase	In 2033 households would be paying this amount more per year, then they did in 2027
A	£31	£184	£23	£138	£20	£120
B	£36	£215	£27	£161	£23	£140
C	£41	£246	£31	£184	£27	£160
D	£46	£276	£35	£207	£30	£180
E	£56	£338	£42	£253	£37	£219
F	£66	£399	£50	£299	£43	£259
G	£77	£460	£58	£345	£50	£299
H	£92	£552	£69	£414	£60	£359

	TURQUOISE	AQUA	COBALT
Balancing Supply and Demand of drinking water	Maintain current levels of leakage BUT no change to our ability to treat water and move it to the areas where it is most needed in times of dry weather.	Maintain current levels of leakage and improve our ability to treat water and move it to the areas where it is most needed in times of dry weather in 2 areas.	Reduce levels of leakage and improve our ability to treat water and move it to the areas where it is most needed in times of dry weather in 7 areas. Modernise water treatment works which are coming to the end of their lives – serving around 900k customers.
Internal Sewer Flooding	Number of people living with the worry of internal sewer flooding about the same as they are today (c. 430 properties).	Number of people living with the worry of internal sewer flooding about the same as they are today (c. 430 properties).	Number of people living with the worry of internal sewer flooding will reduce (from c.430 to c.315 properties).
Managing rainwater	Reduce the number of outdoor floods caused by sewers overloaded with rainwater from 3,000 to 2,880, by increasing the size of our sewers. Continue to work in partnership with Local Authorities to plan how to mitigate known flooding areas in the future by preventing rainwater entering sewers.	Reduce the number of outdoor floods caused by sewers overloaded with rainwater from 3,000 to 2,800 by increasing the size of our sewers. Continue to work in partnership with Local Authorities to mitigate 10 known local flooding areas by preventing rainwater entering sewers.	Reduce the number of outdoor floods caused by sewers overloaded with rainwater from 3,000 to 2,800 by increasing the size of our sewers. Prevent rainwater from entering sewers, by extending partnerships with Local Authorities to deliver projects at city scale that help communities adapt to climate change using nature-based solutions, starting in Edinburgh, Glasgow and Dundee – reducing the flooding risk for up to 200,000 customers.
Repairing and replacing our assets	Maintain our pipes and treatment works so that they continue to deliver current levels of service by spending less than now and focusing more on reacting to failures Replace old water pipes that are vulnerable to bursts at a rate that means by 2033 the number of bursts could double compared to today. About 12,000 properties could be affected by interruptions to their water supply about 6 times per year.	Maintain our pipes and treatment works so that they continue to deliver current levels of service by spending less than now and focusing more on reacting to failures Replace old water pipes that are vulnerable to bursts at a rate that means that by 2033 the number of bursts could increase by 25% compared to today. About 6,000 properties could be affected by interruptions to their water supply about 6 times per year.	Maintain our pipes and treatment works so that they continue to deliver current levels of service by spending the same as now Replace old water pipes that are now at the end of their life at a rate that means that by 2033 the number of bursts could stay the same as today. About 4,800 properties could be affected by interruptions to their water supply about 6 times per year.

NHH Bill Slides

Scenario AQUA:
Slide 9b

What an increase could look like on your bills between 2027 and 2033

Annual Bill	Average annual increase	In 2033 businesses would be paying this amount more per year, then they did in 2027
£500	£25	£150
£750	£37	£225
£1,000	£50	£300
£1,250	£62	£375
£1,500	£75	£450
£1,750	£87	£525
£2,000	£100	£600
£3,000	£150	£900
£4,000	£200	£1,200
£5,000	£250	£1,500
£10,000	£500	£3,000
£20,000	£1,000	£6,000
£30,000	£1,500	£8,995

- These costs are Scottish Water's wholesale charges only. They do not reflect the total amount you may pay to your Licenced Provider (this will vary)
- The increases are based in 'real terms'. This means they are presented in terms of value of money today, as we don't know what will happen with future inflation.

Example: Business with a £5,000 annual water bill

- Business would pay on average **£250** more than they did the year before, every year between 2027 and 2033
- By 2033, the business would be paying **£1,500** more per year, than they did in 2027

Scenario TURQUOISE:

What an increase could look like on your bills between 2027 and 2033

Annual Bill	Average annual increase	In 2033 businesses would be paying this amount more per year, then they did in 2027
£500	£12	£71
£750	£18	£107
£1,000	£24	£143
£1,250	£30	£178
£1,500	£36	£214
£1,750	£42	£249
£2,000	£48	£285
£3,000	£71	£428
£4,000	£95	£570
£5,000	£119	£713
£10,000	£238	£1,425
£20,000	£475	£2,851
£30,000	713	£4,276

- These costs are Scottish Water's wholesale charges only. They do not reflect the total amount you may pay to your Licenced Provider (this will vary)
- The increases are based in 'real terms'. This means they are presented in terms of value of money today, as we don't know what will happen with future inflation.

Example: Business with a £5,000 annual water bill

- Business would pay on average **£119** more than they did the year before, every year between 2027 and 2033
- By 2033, the business would be paying **£713** more per year, than they did in 2027

Scenario COBALT:

What an increase could look like on your bills between 2027 and 2033

Annual Bill	Average annual increase	In 2033 businesses would be paying this amount more per year, then they did in 2027
£500	£43	£259
£750	£65	£389
£1,000	£86	£519
£1,250	£108	£648
£1,500	£130	£778
£1,750	£151	£908
£2,000	£173	£1,037
£3,000	£259	£1,556
£4,000	£346	£2,075
£5,000	£432	£2,594
£10,000	£865	£5,187
£20,000	£1,729	£10,375
£30,000	£2,594	£15,562

- These costs are Scottish Water's wholesale charges only. They do not reflect the total amount you may pay to your Licenced Provider (this will vary)
- The increases are based in 'real terms'. This means they are presented in terms of value of money today, as we don't know what will happen with future inflation.

Example: Business with a £5,000 annual water bill

- Business would pay on average **£432** more than they did the year before, every year between 2027 and 2033
- By 2033, the business would be paying **£2,594** more per year, than they did in 2027

Appendix F

Additional Information

Additional Information

Full details of the research design and methodology are available upon request.

Accent conforms to the requirements of ISO 20252:2019.

The following information on qualitative work is available upon request:

- Recruitment methodology (e.g. postal, telephone, online, telephone to web),
- The number of interviewers or moderators, if applicable,
- The fieldworker/moderator validation methods, if applicable,
- The documents, materials or products used, if applicable,
- A statement that the results of qualitative research cannot be projected onto the overall population due to sample selection, interviewing methods, and sample size,
- Interview duration,
- Quotas/sample selection,
- Identity validation results, where relevant,
- De-duplication statistics and methods,
- Measures and outcomes of participant engagement monitoring,
- Participation exclusion and completion rates, including methods used to calculate them,

Details of any subcontracting

Licensed Providers Research

Final Report

May 2025

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Prepared for: Scottish Water

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APPENDICES

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Appendix B Stimulus Material shared with Licensed Providers
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Executive Summary

1.1 Introduction

Scottish Water is developing its business plan for the Strategic Review period 2027-2033 (SR27). The draft version of the plan was submitted in June 2025, with the final version due to be released by February 2026. The SR27 business plan will build on Scottish Water's Long-Term Strategy for the next 25 years and its existing Strategic Plan (published in 2020) which is focused on achieving service excellence, going beyond net zero emissions and providing great value and financial sustainability, in support of a flourishing Scotland.

A crucial aspect of the strategic review process is engagement with customers, stakeholders and communities to understand their priorities and expectations. This feedback influences decisions on:

- Service improvements;
- Investment in infrastructure and technology; and
- Customer affordability and tariff structures.

1.2 Previous research

A previous piece of qualitative research was conducted in January 2025, which was designed to explore domestic and business customer views and expectations for SR27.

This included identifying customer responses to three high level investment scenarios. These scenarios were based on three charging structures and positioned as a starting point for discussion. They reflected Scottish Water's thinking in the early stages of developing their Draft Business Plan and contained potential outcomes and their associated cost for Scottish Water. It was explained to participants that these were early draft scenarios. Customers were also shown the impact that each investment scenario would have on their bills.

Domestic and business customers were also asked their views on the importance of four specific choice areas and what is good and not good about the individual elements of each choice area. These were selected by Scottish Water as areas where customers could influence how far and quickly Scottish Water might deliver in these areas as opposed to required areas which Scottish Water must legally deliver.

1.3 Objectives

Following the previous research, Scottish Water commissioned Accent to deliver a further piece of qualitative research in March 2025.

On this occasion, the overarching objective was to gather the views of Licensed Providers (LPs) to form part of the overall customer and stakeholder story that will inform the development of the SR27 plan.

The specific objectives included understanding unprompted priorities through:

- Establishing unprompted expectations for Scottish Water over the SR27 period to understand what LPs need;
- Understanding what LPs think their business customers would want Scottish Water to focus on; and
- Sharing insight of unprompted priorities identified by businesses in the SR27 research to validate whether views are aligned.

Another objective was to assess response to the choice framework and review how businesses responded in the previous research by:

- Exploring LPs' response to the four key choice areas of balancing supply and demand, sewer flooding, managing rainwater and repairing assets; and
- Sharing insight of how businesses responded to the high-level investment scenarios to understand whether views are aligned. The scenarios are:
  - Turquoise – a lower paced investment scenario with a CPI +2% bill increase;
  - Aqua – a medium paced investment scenario with a CPI +4% bill increase; and
  - Cobalt – a faster paced investment scenario with a CPI +6.5% bill increase.

Finally, there was an objective to explore areas of focus for the future business plans of LPs and whether they align with Scottish Water's areas of focus.

1.4 Methodology

Twenty-one LPs were invited to take part in this research which used a qualitative methodology comprising in-depth interviews.

Representatives from six LPs agreed to participate and these findings represent their views. Findings should not be generalised to represent all LPs who may have differing views.

1.5 Baseline Perceptions of Scottish Water

Participating LPs shared their views on Scottish Water, both from their own perspective and from the perspective of their business customers.

Overall, LPs expressed a positive view of the service they received from Scottish Water, citing the following reasons:

- Accurate billing;
- Responsive Account Managers;
- Proactive communication and positive interactions;

- Good portal set-up and information and data that is good and ahead of the competition; and
- Speedy resolution of problems.

When discussing feedback from their own customers on Scottish Water, LPs noted that many businesses expressed 'neutral satisfaction.' Water was often taken for granted, and as a result, customers seldom provided feedback.

Although LPs were broadly positive about Scottish Water, they did suggest certain improvements which they felt would be beneficial for them:

- More proactive communication of price increases;
- Communication of key investment decisions and their benefits to help LPs justify price increases;
- Improving smoothness of new connections supply chain; and
- Changes to charges/payment terms.

1.6 Challenges for Licensed Providers

Three overarching themes; economic, regulatory and reputational, were raised by LPs as key challenges. LPs believe they are operating in challenging economic times with low margins and a tough environment for their business customers who feel under financial pressure.

LPs note that there is a growing alignment between Scottish and English markets and that the time and cost required to review regulatory documents from both markets, coupled with the need to update systems in response to regular changes, represents a burden. LPs also raise concerns regarding reputational challenges, particularly in light of the growing media and regulatory scrutiny faced by the water industry in England.

1.7 Expectations of Scottish Water

When asked about their expectations of Scottish Water during SR27, LP participants expressed a desire for the organisation to provide the following:

Billing and charges
- Cashflow changes
- Accurate billing
- Transparent charges
- Charges that incentivise water efficiency and demand based charging e.g. volumetric charges

Speedy Response
- 24/7
- Quick response times
- 'Boots on the ground' can sometimes take up to 2 weeks
- Greater focus on the Islands

Smart Meters
- Roll out of smart meters feels important for businesses to monitor usage

Water efficiency
- Surface water drainage
- Support with communications to businesses
- Champion water efficiency projects
- Change charges to support e.g. small standing charge and higher per usage costs
- More collaboration e.g. provide funds to bid for

Communications
- Communicate business plan metrics
- Give longer notice of price increases
- Give longer notice of pilot/changes
- Provide good news stories to ensure greater reputation management

Figure 1: Licensed Providers' expectations of Scottish Water for SR27

The expectations that LPs believe their business customers have for Scottish Water are as follows (bullet points in red italics were not mentioned by business customers during the previous research):

Quality of Water	Asset maintenance	Security of Supply	Sewage/Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency • *Good pressure is critical to ensure water can move around big sites* • *Good pressure is essential for manufacturing processes* • *Do not reduce pressure to manage leakage*	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification • Maintenance outside of business hours • *Invest in storage solutions*	• 24/7/365 • Reliable service • *Back-up supplies* • *Large manufacturing businesses* • *Hospitals/prisons that need back-up supply*	• Good sewage removal • Good drainage • Bathing/river water quality • Stop releasing pollution • CSO sanctions	• Reasonable costs • Good VFM • Volumetric charging • *Incentive based charging* • *Greater efficiency from Scottish Water*

Figure 2: Licensed Providers' views on the expectations of their business customers for Scottish Water during SR27

1.8 Response to Choice Areas

LPs were shown the four potential choice areas – balancing supply and demand, internal sewer flooding, repairing and replacing assets and managing rainwater – used in the programme of research with household and business customers earlier this year. They were asked about how impactful each area was for their customers and their views on the importance of them.

Balancing Supply and Demand

Ensuring investment to maintain a consistent water supply and pressure is seen as critical to business operations, particularly for larger manufacturers. LPs are keen for Scottish Water to prioritise water efficiency measures and explore storage solutions within this area.

Internal Sewer Flooding

Some progress is considered necessary by LPs to address this issue, which they describe as an emotive topic and one that can lead to complaints from their business customers.

Repairing and Replacing Assets

For this investment area, LPs feel that there is a need for investment that manages the risk of future outages as the continuity of supply is endangered if assets fail. However, it is noted that bursts are rare and well managed by Scottish Water and that a pragmatic approach is required to avoid high price rises for their customers.

Managing Rainwater

Managing rainwater is believed to be a more urgent concern than drought with LPs wanting to manage the future risk of flooding. However, given that flooding is not a concern for all of their customers, LPs suggest Scottish Water should focus on localised areas where the risk of flooding is higher.

1.9 Response to High Level Investment Scenarios

LPs were shown the three investment scenarios (Turquoise, Aqua and Cobalt), which contain potential outcomes and their associated costs to Scottish Water, used in the previous programme of research. As well as the content of the scenarios, LPs were presented with the feedback on the scenarios from business customers in the previous research. This feedback can be found in Appendix B.

The response of LPs to the investment scenarios is broadly consistent with the previous business research.

Areas of consistency with previous business research:

Consistent with the research undertaken with business customers previously, none of the three high level investment scenarios are viewed positively as the balance between cost increases and speed of outcomes does not feel right and the scenarios do not meet expectations of building pride in Scottish Water. LPs want Scottish Water to be mindful of cost increases given the economic situation. In terms of specific scenarios, the progress of Turquoise feels slow and reactive, whereas the Cobalt outcomes are better but the CPI +6.5% increase is seen as prohibitive and having a negative impact.

Areas of difference with previous business customer research:

Differing from the previous business customer research, LPs have a short-term focus and feel the need to look after business interests as they operate low-margin businesses and are worried about the impact of cost increases on customer churn. There is a feeling amongst certain LPs that the service their businesses receive works well, so does not need to improve and that if one of the scenarios had to be chosen, Turquoise would be sufficient. None of the businesses in the previous research selected the Turquoise scenario as their preferred option. However, LPs were not shown indicative bill amounts for each scenario, unlike businesses in the previous research, which may explain some of the areas of difference with the previous research.

1.10 Summary

LPs are generally positive about the service they and their business customers receive from Scottish Water, although they feel there is still room for improvement. Their expectations of Scottish Water during SR27 are focused primarily on billing, response times, metering, water efficiency and communications.

2 INTRODUCTION

2.1 Background

Scottish Water is developing its business plan for the Strategic Review period 2027-2033 (SR27). The draft version of the plan will be published in June 2025, with the final version due to be released by February 2026. The SR27 business plan will build on Scottish Water's Long-Term Strategy for the next 25 years and its existing Strategic Plan (published in 2020) which is focused on achieving service excellence, going beyond net zero emissions and providing great value and financial sustainability, in support of a flourishing Scotland.

A crucial aspect of the strategic review process is engagement with customers, stakeholders and communities to understand their priorities and expectations. This feedback influences decisions on:

- Service improvements
- Investment in infrastructure and technology
- Customer affordability and tariff structures.

A previous piece of qualitative research was conducted in January 2025, which was designed to explore domestic and business customer views and expectations for SR27. This included identifying customer responses to three high level investment scenarios. Comparisons between this research and the previous research are marked throughout this report.

As a critical part of the business supply chain, and key Scottish Water customers, it is important to also understand the unprompted priorities of Licensed Providers (LPs) and their views on what they and their business customers require for SR27.

2.2 Objectives

The overarching objective was for this research to form part of the overall customer and stakeholder story that will inform the development of the SR27 plan.

This includes understanding unprompted priorities through:

- Establishing unprompted expectations for Scottish Water over the SR27 period to understand what Licensed Providers need
- Understanding what Licensed Providers think their business customers would want Scottish Water to focus on
- Sharing insight of unprompted priorities identified by businesses in the SR27 research to validate whether views are aligned.

Another objective was to assess response to the choice framework and review how businesses responded in the previous research by:

- Exploring LPs' response to the four key areas of balancing supply and demand, sewer flooding, managing rainwater and repairing assets
- Sharing insight of how Businesses responded to the High-Level Investment scenarios (Turquoise, Aqua and Cobalt) to understand whether views are aligned.

Finally, there was an objective to explore areas of focus for the future business plans of LPs and whether they align with Scottish Water's areas of focus.

3 METHODOLOGY

3.1 Introduction: Qualitative research approach

This study qualitatively explored the views of Licensed Providers to support the development of Scottish Water's SR27 plans. As a qualitative research project, the findings are not intended to be statistically representative.

The research was conducted through one-hour, in-depth interviews. Scottish Water identified key contacts from all Licensed Providers and supplied Accent with a list of these contacts, who were aware of the upcoming research. Accent then invited all of these individuals to take part in the interviews. No incentives were offered for participation.

The interviews followed a semi-structured format, guided by a topic guide that was developed in collaboration with Scottish Water and its stakeholders. This topic guide can be found in Appendix C. While there was no formal pre-task, participants were provided with a summary of the discussion topics ahead of the interview to support their preparation.

Interviews were conducted between 27th March and 4th April 2025 and were carried out online via Zoom.

3.2 Research Sample

Six LPs agreed to participate and were interviewed by Accent moderators. As this is a minority of LPs, the findings of this research should not be generalised to represent the views of all LPs.

All participants were experienced senior water industry professionals, including Directors and Head of Departments, many of whom had been involved in the Licensed Provider market since its inception or had previously worked at Scottish Water.

LPs agreed to participate in the research with the understanding that all findings would be anonymised. Given the low sample numbers, all findings are combined to ensure confidentiality of response.

The sample consisted of four small, one medium and one large LP as defined by self-reported percentage of market share. A more specific size definition for each LP has not been provided to preserve anonymity.

3.3 Sample Observations

Some companies included in this research were operating in Scotland and England with participants very aware of challenges in England, including dealing with PR24 price increases.

Participants tended to frame Scottish Water as ‘better than’ English companies and there was frustration for some LPs that English regulators make decisions and Scotland tends to follow despite being the original open market for business customers.

The research took place at a time when water and waste water prices were rising in England and Scotland and companies were trying to proactively contact some of their higher usage businesses to discuss bills and water efficiency strategies. Two perspectives were observed on the increase in Scottish Water prices:

- Positive – rises provide a greater focus on water and waste water and prompt discussions about water efficiency
- Negative – price rises are not good for businesses under financial pressure and could cause churn.

In line with previous business research, see *SR27 Customer Expectations Final Report* (March 2025) for further details, Licensed Providers observed that businesses with low water consumption typically pay less attention to their water bills and usage. Like domestic customers, these businesses often perceive water as a basic commodity that is largely taken for granted.

Water and waste water bills are generally viewed by these customers as relatively affordable compared to energy costs, making it more difficult for Licensed Providers to engage them in discussions about value-added services and water efficiency measures.

“Most smaller business don’t care about Scottish Water. They don't care as long as they are left alone. They just presume that water supply and quality will be good at a relatively low price”

Licensed Provider

With higher water users, LPs observed that there has been a noticeable shift over the last five years with more of their business customers focusing on Environmental, Social and Governance (ESG) policies. Higher water users are also perceived by LPs to be more aware of rising costs and more open to water efficiency measures.

3.4 Project Materials

Project materials included in this report can be found in:

- Appendix B: Stimulus provided to Licensed Providers
- Appendix C: Topic guide.

4 FINDINGS

4.1 Licensed Provider Business Plans

LPs were asked about the key priorities and areas of focus in their own business plans. A number of themes were mentioned:

Service

- Quality service
- Responsiveness to customers.

Financial

- Debt reduction
- Remain profitable
- Focus on increasing higher value client base.

Environmental

- Helping business customers with their environmental transformation
- Innovative water efficiency
- Net zero.

Licensed Providers acknowledged a potential conflict of interest between promoting water efficiency and managing their own financial performance. They noted that encouraging their customers to use water more efficiently could lead to reduced consumption, and consequently, a decrease in their own revenue.

4.2 Licensed Provider Challenges

Three overarching challenges were raised by Licensed Providers who believe they are operating in challenging economic times with low margins and a tough environment for their business customers who feel under financial pressure.

Economic challenges

Economic challenges were seen as the most significant type of challenge by LPs. Some of the LPs commented that the market is not sustainable or working for retailers and there was a request for improved communications from Scottish Water so that LPs can share positive investment stories with business customers, especially at the time of price increases.

Specific economic challenges include:

Cashflow

Scottish Water was perceived by Licensed Providers as applying stringent payment terms that were viewed as unfavourable to their business operations. One example was the requirement to pay Scottish Water three months in advance, while retailers typically collect payment from customers only after one month. This misalignment was reported to create cashflow pressures and limit opportunities for investment and innovation. While challenging for all Licensed Providers, the issue was considered particularly burdensome for new entrants and smaller companies.

"We can only collect after 3 months so there is always a gap in finances"
Licensed Provider

Bad Debt/Vacant Properties

Bad debt was identified as a significant and persistent challenge. Licensed Providers highlighted the current economic climate as particularly difficult for businesses, especially in vulnerable sectors such as hospitality and retail, where some customers are unable to pay their water and waste water bills. As LPs are not permitted to disconnect non-paying business customers, they are left carrying the burden of unresolved debt on their balance sheets.

"We can't do anything about it as we are provider of last resort"
Licensed Provider

Low Margins

The market was felt to have low profit margins and therefore minimal headroom for debt or investment.

"I think in general, the struggle of a retailer, which they will all tell you, is there's a very low margin in the retailer market"
Licensed Provider

Market Price Rises

Significant price increases in the English market (as high as 50% in some cases) have had a direct impact on Licensed Providers operating across both England and Scotland, particularly those serving customers with sites in both regions. In addition to these English market rises, the recent 10% increase in the Scottish market was also seen as difficult to justify. Some Licensed Providers expressed concern that the rationale behind the increase was unclear, and they struggled to see evidence of corresponding investment or service improvements.

Regulatory challenges

Licensed Providers acknowledged the dynamic nature of the market and recognised the potential benefits of aligning the UK markets. However, they expressed a preference for streamlining documentation processes, which would help reduce the administrative workload and improve operational efficiency. They note the following issues:

Regulatory Changes

Licensed Providers reported that significant regulatory changes in the Scottish and English markets occur at least twice a year, leading to concerns about the potential for overlooking key elements of new regulations. This increases the challenge of maintaining compliance. Licensed Providers noted that the time and cost required to review all regulatory documents, coupled with the need to update systems in response to changes, represents a substantial and often unnecessary burden.

"There might be one thing about compliance so you have to keep on top of it all and its time consuming and we track every single thing that comes out of the regulators as there might be a gem in there – I think in my first year there were 600 communications and each signposted a different document that was 600 pages!"
Licensed Provider

"You have to keep on top of everything in case it's relevant to your business"
Licensed Provider

Differences between Scottish and English Markets

There is a growing sense of alignment between the Scottish and English markets. This can be viewed positively when wholesalers are operating in both markets but can lead to some tensions. For example, there is a feeling amongst some LPs that Scotland is being compelled to adopt changes originating in the English market, despite the distinct regulatory and market conditions in Scotland. There is also a sense that the English regulatory market is slower to respond than the Scottish regulatory framework which is more agile.

"And so whenever there's a change brought in, whether it's say, by Scottish Water or the regulator it has a knock on effect to our it systems and a cost in time and money to resolve"
Licensed Provider

"There's a real sort of push to bring Scotland in line with England rather than England in line with Scotland and the changes being proposed have a knock on effect on time and budget"
Licensed Provider

Reputational challenges

Licensed Providers expressed a desire for positive case studies showcasing high service levels, as these would help facilitate discussions with customers about proactive water efficiency measures. Additionally, concerns were raised regarding reputational challenges, particularly in light of the growing media and regulatory scrutiny faced by the water industry in England.

Consistent with insight from the earlier SR27 research, Scottish businesses have picked up on the poor operational performance in English market, either through negative media coverage or having sites in England.

This shift in perspective creates a challenging environment for LPs discussing water efficiency with their business customers. In the past, water companies were viewed positively and without significant scrutiny. While Scottish Water's service is still generally regarded positively by both LPs and their business customers, some LPs report that their customers now perceive the situation in the English market as a cautionary tale and do not wish for Scottish Water to be privatised. There is a growing belief by LPs that Scottish Water must remain mindful of the infrastructure and environmental challenges facing England and proactively plan for similar issues in the longer term.

"It's difficult to go out and tell a good story about water right now if we are trying to win business"
Licensed Provider

4.3 Baseline Perceptions of Scottish Water

Licensed Providers were asked to share their perceptions of the service provided by Scottish Water, both from their own experience and that of their business customers. Overall, Licensed Providers expressed a highly positive view of the service they received from Scottish Water, citing the following reasons:

- Accurate billing
- Responsive Account Managers
- Proactive communication, for example setting up a meeting with an LP when inaccurate charging is discovered to plan a strategy rather than immediately charging customer
- Positive interactions, such as providing advanced warning when putting in new connections that could disrupt pressure/flows
- Good portal set-up
- Information and data that is good and ahead of the competition, for example up to date site data
- Speedy resolution of problems.

"I really don't use any of that stuff (portal), and my first point of contact is the account manager, and, to be honest, I can't praise them enough, because they're always responsive"
Licensed Provider

"I don't really need anything more from them. They're actually great with us. Anytime we require assistance, I would say they are more than helpful. "
Licensed Provider

"I would put them, probably joint top, or, if not, top of the whole list of 20"
Licensed Provider

When discussing feedback from their own customers on Scottish Water, Licensed Providers noted that many businesses expressed 'neutral satisfaction.' Water was often taken for granted, and as a result, customers seldom provided feedback compared to other utilities. However, larger businesses that rely heavily on water for their operations tended to offer more positive feedback, citing consistent supply and good water quality. The only issue raised by these larger businesses was the decision to remove long-term charging agreements, which was viewed as 'a minor disruption to the relationship'.

"Scottish Water are well regarded and there are few issues that would affect the Business customers – no hose pipe bans or big events"
Licensed Provider

"We don't get many good comments about Scottish Water as they take it for granted - but then we get very few comments full stop
Licensed Provider

"We have never had any complaints from our Business customers….we tend to be proactive and manage communications if there are changes to supply or pressure"
Licensed Provider

Improvements

Although LPs were broadly positive about Scottish Water, they did suggest certain improvements which they felt would be beneficial for them:

- Proactive communication – this is consistent with feedback from the previous research with business customers
  - Provide more notice to LPs of price increases as Scottish Water knew prices were going up but did not mention anything to LPs for some time
  - Provide more notice of pilot/changes to hydrochlorination
  - Provide good news stories about what Scottish Water are doing to infrastructure and environmental policy to justify price increases.

- Smoothness of connections supply chain
  - New connections receive lower performance metrics than other areas
  - There are different players in the supply chain and when an Account Manager takes a new connection request this is passed to Scottish Water who passes on to operation team or third party
  - Sometimes there is a lack of ownership from the third parties
  - Overall, however, it was pointed out that even with these issues Scottish Water are seen as better with new connections than other water companies.

"New connections can cause us some issues. But new connections is a very, you know, specialist area"
Licensed Provider

- Surface water drainage
  - Currently Licensed Providers work with customers to reduce surface water drainage and recycle water, however business is still charged even if a small amount of water goes down the drain.

"Scottish water will come out and put a dye test. If they prove that any drop of that rainwater from that site goes down into their drains, they will charge 100%. So you've made the effort to stop the rainwater going there but they're charging 100% for it."
Licensed Provider

- Charges/payment terms
  - Changes to Scottish Water pre-payment terms to alleviate LP's cashflow related issues with LPs feeling that debt is a major concern for them.

4.4 Unprompted Expectations

Licensed Providers

Before exploring the unprompted expectations of businesses, as gathered during previous research, Licensed Providers were asked what they believed Scottish Water should focus on during the SR27 period, both for themselves and for their customers. The figure below outlines the key expectations expressed by the LPs:

Figure 3: Unprompted Expectations of Licensed Providers

"If it's on an island it can be like, well, we're not going there for 3 weeks, so they'll just wait, which you know it treats them like a second class citizen."
Licensed Provider

"What I would say is, even though water efficiency might not be a top priority for Scottish Water it probably will be, and I'd like to think it will be moving forward."
Licensed Provider

Business Customers

Licensed Providers' assumptions of what Business Customers would prioritise were very consistent with what businesses prioritised in previous research.

The only areas of difference were that LPs focused more on the significance of water pressure, the need for back up supplies for very large businesses and the wastewater side of Scottish Water.

These areas of difference with previous business research are highlighted in red italics in the Figure below:

Figure 4: What Licensed Providers think Business Customer Expectations would be

Quality of Water	Asset maintenance	Security of Supply	Sewage/Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency • *Good pressure is critical to ensure water can move around big sites* • *Good pressure is essential for manufacturing processes* • *Do not reduce pressure to manage leakage*	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification • Maintenance outside of business hours • *Invest in storage solutions*	• 24/7/365 • Reliable service • *Back-up supplies* • *Large manufacturing businesses* • *Hospitals/prisons that need back-up supply*	• Good sewage removal • Good drainage • Bathing/river water quality • Stop releasing pollution • CSO sanctions	• Reasonable costs • Good VFM • Volumetric charging • *Incentive based charging* • *Greater efficiency from Scottish Water*

Response to Business Customers' Unprompted Priorities

LPs were shown a summary of business customers' unprompted expectations (see Appendix B), organised into basic, 'nice to do' and 'icing on the cake' tiers.

They were unsurprised by the majority of expectations with these exceptions:

Sewage/Bathing and river water quality

LPs were surprised that this was included by business customers in their basic expectations but noted that for businesses in coastal or tourist areas this would be a priority and that this might be a proxy for general environmental concerns.

Water conservation

LPs expected water conservation to be more of a priority as bill increases will mean water efficiency is required with smart meters critical for accuracy. This was partly prompted by recent experiences with larger businesses demanding greater water efficiency, sometimes as a result of having sites in the South of England where drought has led to businesses expecting more proactive action on water efficiency.

However, there was an understanding that smaller businesses might be nervous about the introduction of smart meters.

Cost and reward

There is an expectation that this area will become more important to business customers over the next strategic review period due to increasing water and waste water bill amounts.

LPs also observed that certain expectations related to communications, accountability and relationships were more suitable for retailers to fulfil rather than Scottish Water directly. They were not, however, surprised by these expectations as they noted that smaller businesses are not always aware of the roles of a retailer and of Scottish Water.

"That whole box just does feel like a retailer part if you see what I mean, and likewise the relationship part. It's all good for Scottish water having a relationship, but that, again, is probably what the retailer should be doing."

Licensed Provider

In addition, LPs highlighted that Scottish Water were making progress in some of these areas, for example supporting green spaces, and that they should take the opportunity to communicate these projects directly to business customers.

This mirrors insights from the business customer research where it was felt that there was a need for more communication on Scottish Water's successes.

"They do support green spaces. So I think maybe Scottish water could actually advertise maybe a bit more of what they do, you know, sing all the good things they do. They probably don't shout it out enough."
Licensed Provider

4.5 Response to Investment Areas

LPs were shown stimulus containing four of Scottish Water's proposed choice areas – balancing supply and demand of drinking water, repairing and replacing our assets, internal sewer flooding and managing rainwater – and the proposals for investment for each area. Their reflections on each choice area are shown in the sections below. The stimulus shown to LPs can be found in Appendix B.

LPs were also asked if there was any alignment or conflict between their business plans and Scottish Water's high level investment scenarios. LPs noted that there was nothing in Scottish Water's plans that directly related to LPs and that they would be looking for support from Scottish Water with regard to their customers' water efficiency.

Balancing Supply and Demand

Balancing supply and demand is recognised as an important investment priority which is likely to become a greater issue with increased connections and future drought issues, although it is not currently a major issue for business customers who suffer more, if at all, from flooding.

"In all the years I've done this I don't know anybody that's struggled for water because of a drought but maybe there are shortages at a local level so moving the water around is important"
Licensed Provider

Connecting systems to ensure 24/7 supply is felt to be critical for business customers where the operational cost of water outages would be significant.

"This is about Security of Supply so it's definitely an issue and there's definitely pockets of areas where exactly they are extracting from rivers and river levels are getting very, very low on occasions, and probably the agricultural sector is a bit more vulnerable to that, and probably a bit more aware of it than other areas. So there's definitely need for this"
Licensed Provider

LPs were not convinced that businesses would be that concerned about reducing the amount of water taken from the environment. However, maintaining water quality was a key priority with LPs reporting that some of their businesses choose to base themselves in Scotland because of the water quality.

"I see that as retaining the good quality that we have already"
Licensed Provider

This feedback is consistent with insight from the business customer research where constant supply and pressure were crucial for all businesses who could not afford to have water disruption, particularly larger manufacturing and agricultural businesses which could lose money if processes were affected.

Recommendations from LPs were that Scottish Water focus on storage solutions and water efficiency first to alleviate network pressure.

Repairing and Replacing Assets

Repairing and replacing assets was widely acknowledged as a critical investment priority, as ensuring that assets are efficient and fit for purpose is essential to maintaining the security of supply, which is fundamental.

That said, Licensed Providers are pragmatic and understand the need for a phased approach to manage costs for business customers. They also noted that the impacts of burst pipes on their customers are generally not severe.

"I mean, they really need to be proactive rather than reactive but they're not going to impact a business customer particularly. They'll have the odd occasion where they'll have a burst and they'll be out but it's very small"
Licensed Provider

Licensed Providers acknowledged that Scottish Water is highly regarded for its quick response to burst pipes and for providing bottled water when supplies are interrupted. However, they expressed a desire for Scottish Water to adopt a more proactive, diagnostic approach using the data it holds (such as information on pipe vulnerability) to better anticipate and prevent issues before they occur.

Improving innovation and efficiency in this investment area through engaging the public and universities was suggested by one LP.

Consistent with business customers in the previous piece of research who were also concerned about the risk of future outages which could have a significant negative impact on their businesses.

Internal Sewer Flooding

Internal sewer flooding was felt to be something that needs to be managed down over time regardless of relevance or impact on individual businesses. It cannot be neglected as it's a health hazard, a 'very emotive kind of topic' and may impact on their customers.

"If you get sewage backing up into your property, I mean, it's a health and safety hazard. And it's disgusting. They're just failing at one of their very basic services"
Licensed Provider

Sewer flooding is an issue that leads to customers complaining as sites have to close when it occurs. Furthermore, it's also an environmental hazard as when it rains the overspill goes into nearby water courses.

"It's a quick one to get customers complaining, of course, and obviously the environmental impact"
Licensed Provider

As with business customers in the SR27 research, LPs describe sewer flooding as an emotive issue where some progress is needed even though it does not really impact on the majority of their business customers.

Managing Rainwater

Managing rainwater was seen as an issue to be addressed at a local level. While it is recognised as a future risk, LPs taking part in this research believe it is not a widespread concern for their business customers currently, with only those in specific areas or flood plains being affected. Licensed Providers emphasized the importance of managing flooding and exploring creative solutions such as soakaways, particularly for new developments. For one Licensed Provider, however, this was considered a less critical issue compared to priorities like water efficiency and smart metering.

"We are getting more flooding than drought so this is important. We get massive dumps of water within a short space of time so I would expect the infrastructure to be able to deal with that"
Licensed Provider

"We've not had a huge impact on this side ourselves. And I suppose I'm trying to think if we've had any flooding events for any of our major customers. I can't think of any, but obviously they will have happened somewhere in Scotland."
Licensed Provider

Consistent with previous business research, LPs discuss managing rainwater as an increasing problem that will need to be managed but is not a major concern for their customers right now.

4.6 Response to High Level Investment Scenarios

Licensed Providers were presented with the three high-level investment scenarios – Turquoise, Aqua, and Cobalt – that had previously been shown to business customers during earlier research. They were also provided with a summary of the feedback business customers had given in response to these scenarios which can be found in Appendix B.

Turquoise – CPI +2% High Level Investment Scenario

Licensed Providers were not surprised by the negative feedback on the Turquoise scenario, as its limited progress and pace were perceived as underwhelming. It was viewed as a largely reactive approach that could risk replicating some of the challenges seen in the English water sector.

However, the lower cost associated with this scenario was recognised as potentially beneficial for business customers and could help reduce customer churn for LPs. That said, LPs noted it would be more difficult to promote water efficiency services to customers under this scenario, given the limited emphasis on proactive investment.

"Even a 2% rise will be difficult for businesses especially the hospitality industry which has been struggling since covid and the retail industry right now"
Licensed Provider

"From my customers perspective I would probably say 2% does the job"
Licensed Provider

Aqua – CPI +4% High Level Investment Scenario

As with the Turquoise scenario, Licensed Providers were not surprised by business customer feedback on the Aqua scenario. While they acknowledged that some progress would be achieved under Aqua, it lacked the ambition needed to instil a sense of pride, particularly due to its failure to address issues such as leakage.

Moreover, the proposed CPI +4% cost increase was viewed as relatively high, with LPs questioning the overall value for money. Given that the current service from Scottish Water is perceived as satisfactory, and there is little concern about service deterioration, LPs were generally not supportive of this scenario, citing a low risk of customer churn and limited incentive for change.

"Things are working well so why not continue and I have a duty to keep their costs low"
Licensed Provider

Cobalt – CPI +6.5% High Level Investment Scenario

As with the other scenarios, Licensed Providers were not surprised by the feedback from business customers, particularly the concern around the proposed CPI +6.5% increase under the Cobalt scenario. LPs felt strongly that many businesses would struggle to absorb such a rise in the current economic climate. They expressed concerns about a potential increase in bad debt, the risk of business closures, and a resulting rise in vacant properties.

Additionally, there were worries that the higher charges could lead to increased customer churn.

"All of the evidence for spending money is there in terms of infrastructure BUT not at this cost"
Licensed Provider

"They want more but they don't want to pay for more. That's what it always comes down to"
Licensed Provider

Licensed Providers acknowledged that the Cobalt scenario addresses key concerns around service interruptions – particularly for larger water users – which they felt explained the support it received in previous research. They appreciated that this scenario made progress across a broad range of areas, which was seen as a positive, incremental approach. However, there was a shared view that the overall outcomes did not represent a significant step change, especially in light of the proposed CPI +6.5% price increase. As such, many LPs questioned whether Cobalt offered sufficient value for money.

"The only thing that would really drive higher cost is a significant risk of business interruption. The cost for us to be down for even a day would far outweigh any cost increases"
Licensed Provider

4.7 High Level Investment Scenario Summary

Licensed Providers who participated in this research were not surprised by the feedback offered by business customers on the scenarios in the previous research. They felt that the scenario outcomes should be more ambitious to justify the cost increase. This cost increase concerned many of the LPs given recent water and waste water bill increases and the tough financial situation faced by the businesses they represent.

APPENDICES

Appendix A

Additional Information

Additional Information

Full details of the research design and methodology are available upon request.

Accent conforms to the requirements of ISO 20252:2019.

The following information on **Quantitative** work is available upon request:

- The fieldwork method (e.g. in-person, telephone or online, individual or group interviews, synchronous or asynchronous),
- The target group and sample selection methods,
- Assessment of sample representation of target population and respective implications,
- The sampling method, including size of planned and achieved sample, reasons for differences in planned and achieved and how any problems in this respect were dealt with,
- Response rate where probability samples were used and its definition and calculation method,
- Participation rate where non-probability samples were used,
- The number of interviewers or moderators, if applicable,
- The fieldworker/moderator validation methods, if applicable,
- The questionnaires, any visual exhibits or show cards, and other relevant data collection documents,
- The weighting procedures, if applicable,
- Any methods statistical analysis used,
- The estimating and imputation procedures, if applicable,
- The results that are based on subgroups and the number of cases used in subgroup analysis,
- Variance and estimates of non-sampling errors or indicators thereof (when probability samples are used).

The following information on **Qualitative** work is available upon request:

- Recruitment methodology (e.g. postal, telephone, online, telephone to web),
- The number of interviewers or moderators, if applicable,
- The fieldworker/moderator validation methods, if applicable,
- The documents, materials or products used, if applicable,
- The interview and/or discussion guide,
- A statement that the results of qualitative research cannot be projected onto the overall population due to sample selection, interviewing methods, and sample size,
- Interview duration,
- Quotas/sample selection,
- Identity validation results, where relevant,
- De-duplication statistics and methods,
- Measures and outcomes of participant engagement monitoring,
- Participation exclusion and completion rates, including methods used to calculate them,
- Details of any subcontracting.

Appendix B

Stimulus Material shared with Licensed Providers

Basic Expectations for SR27

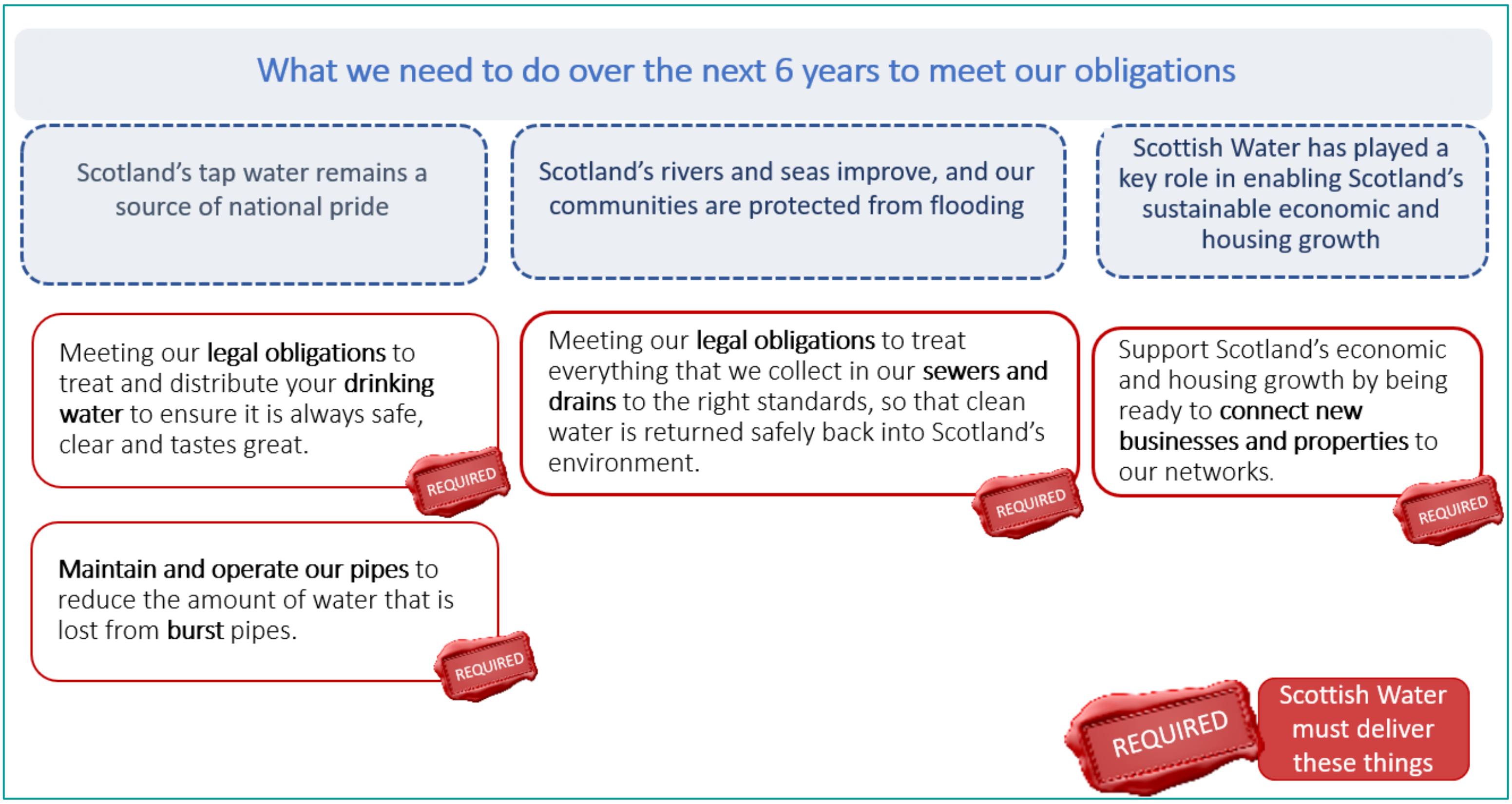
Drinking Water Quality	Asset Maintenance	Supply of Water	Sewage / Flooding	Cost
• Clean, drinkable, tasty • Frequent testing • Consistency • Good pressure	• Maintain pipes • Address/fix leaks • Improve network • Efficient repairs • Pre-notification to ensure business can make alternative plans • Maintenance outside of business hours	• 24/7/365 • Reliable service • Able to supply to every business in Scotland	• Good sewage removal • Good drainage • Bathing/river water quality • Stop releasing pollution • CSO sanctions	• Keep low • Affordable • Tariffs for CIVS

'Nice to Do' Expectations for SR27

Communications and Accountability	Water conservation	Environment	Disruption
• Ability to view company reports • Transparency of info/costs • Easy to contact • Respond quickly • Level of performance on CSO • Compensation for disruptions	• Measure usage • Install SMART meters • Share 'average' information/trends • Share ways to reduce usage • Introduce sustainable strategy	• Reduce emissions • Challenging targets • Protect natural world	• Minimise local traffic disruption • Minimise roadworks • Coordination with other service providers

'Icing on the Cake' Expectations for SR27

Cost and Reward	Relationship	Technology/Innovation	Community
• Incentives to reduce water • Fair rates • Rewards for using less water • Offer a price cap	• Take interest in business • Visit customer sites	• Embrace technology in all projects • App/webchat • Water power • Grey water recycling • Advanced wastewater treatments • Support of water turbulent engine systems	• Public water taps • Educational campaigns in schools and wider • Charitable action • Community projects • Internships • Sponsored events • Support green spaces • Enhance local water ways


What we need to do over the next 6 years to meet our obligations
Scotland's tap water remains a source of national pride
Scotland's rivers and seas improve, and our communities are protected from flooding
Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth
Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.
REQUIRED
Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.
REQUIRED
Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.
REQUIRED
Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.
REQUIRED
REQUIRED
Scottish Water must deliver these things

What we could do over the next 6 years to meet our Long-Term Strategy

Scotland's tap water remains a source of national pride

Scotland's rivers and seas improve, and our communities are protected from flooding

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Balancing Supply and Demand of drinking water:

- Make better use of the water resources we have by **connecting our existing systems**, giving us flexibility **to move water** to where it is most needed in times of drought.
- Reducing the **amount of water that we take** from the environment, so that more water is available in times of drought.

CHOICE

Internal Sewer Flooding

- Change the number of people living with the worry that their **home or business might be flooded by sewage** coming up through their plumbing

CHOICE

Managing rainwater

- Reduce the number of homes, businesses and communities that are affected by **rain water overwhelming their sewers**, causing sewer floods in gardens, roads, or other community spaces.
- Work in **partnership** with others to maximise the impact of our investments, and use **environmentally friendly solutions** as much as we can to **manage rain water** better.

CHOICE

Customers can influence the rate of progress over the next 6 years

CHOICE

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

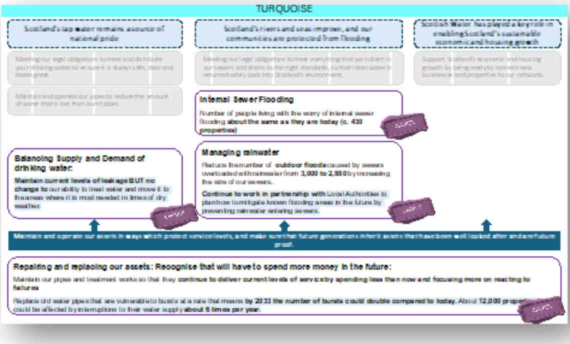
Repairing and replacing our assets:

- **Building new or replacement assets** to withstand the rapid **effects of the climate change** – especially when the new assets are the kind that are expected to last for 60-100 years.
- **Accelerate the replacement of water pipes** laid in the 1960's and 70's made from materials that we now know will burst earlier than planned.

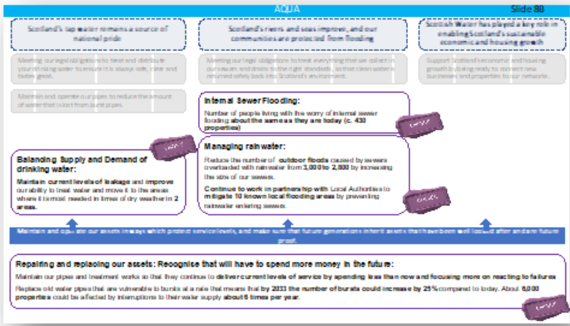
CHOICE

Three scenarios shown to Customers

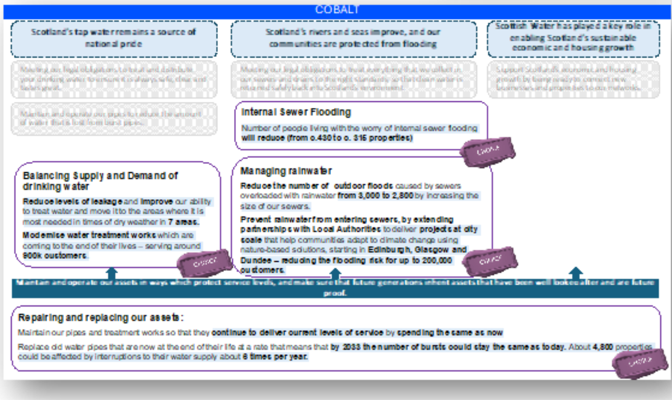
CPI +2%



CPI +4%



CPI+ 6.5%



TURQUOISE

Scotland's tap water remains a source of national pride

Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.

Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.

Balancing Supply and Demand of drinking water:

Maintain current levels of leakage BUT no change to our ability to treat water and move it to the areas where it is most needed in times of dry weather.

CHOICE

Scotland's rivers and seas improve, and our communities are protected from flooding

Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.

Internal Sewer Flooding

Number of people living with the worry of internal sewer flooding **about the same as they are today (c. 430 properties)**

CHOICE

Managing rainwater

Reduce the number of **outdoor floods** caused by sewers overloaded with rainwater from **3,000 to 2,880** by increasing the size of our sewers.

Continue to work in partnership with Local Authorities to plan how to mitigate known flooding areas in the future by preventing rainwater entering sewers.

CHOICE

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

Repairing and replacing our assets: Recognise that will have to spend more money in the future:

Maintain our pipes and treatment works so that they **continue to deliver current levels of service by spending less than now and focusing more on reacting to failures**

Replace old water pipes that are vulnerable to bursts at a rate that means **by 2033 the number of bursts could double compared to today.** About **12,000 propert** could be affected by interruptions to their water supply **about 6 times per year**.

CHOICE

AQUA

Scotland's tap water remains a source of national pride

Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.

Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.

Balancing Supply and Demand of drinking water: CHOICE

Maintain current levels of leakage and **improve** our ability to treat water and move it to the areas where it is most needed in times of dry weather in **2 areas.**

Scotland's rivers and seas improve, and our communities are protected from flooding

Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.

Internal Sewer Flooding: CHOICE

Number of people living with the worry of internal sewer flooding **about the same as they are today (c. 430 properties)**

Managing rainwater: CHOICE

Reduce the number of **outdoor floods** caused by sewers overloaded with rainwater from **3,000 to 2,800** by increasing the size of our sewers.

Continue to work in partnership with Local Authorities to **mitigate 10 known local flooding areas** by preventing rainwater entering sewers.

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

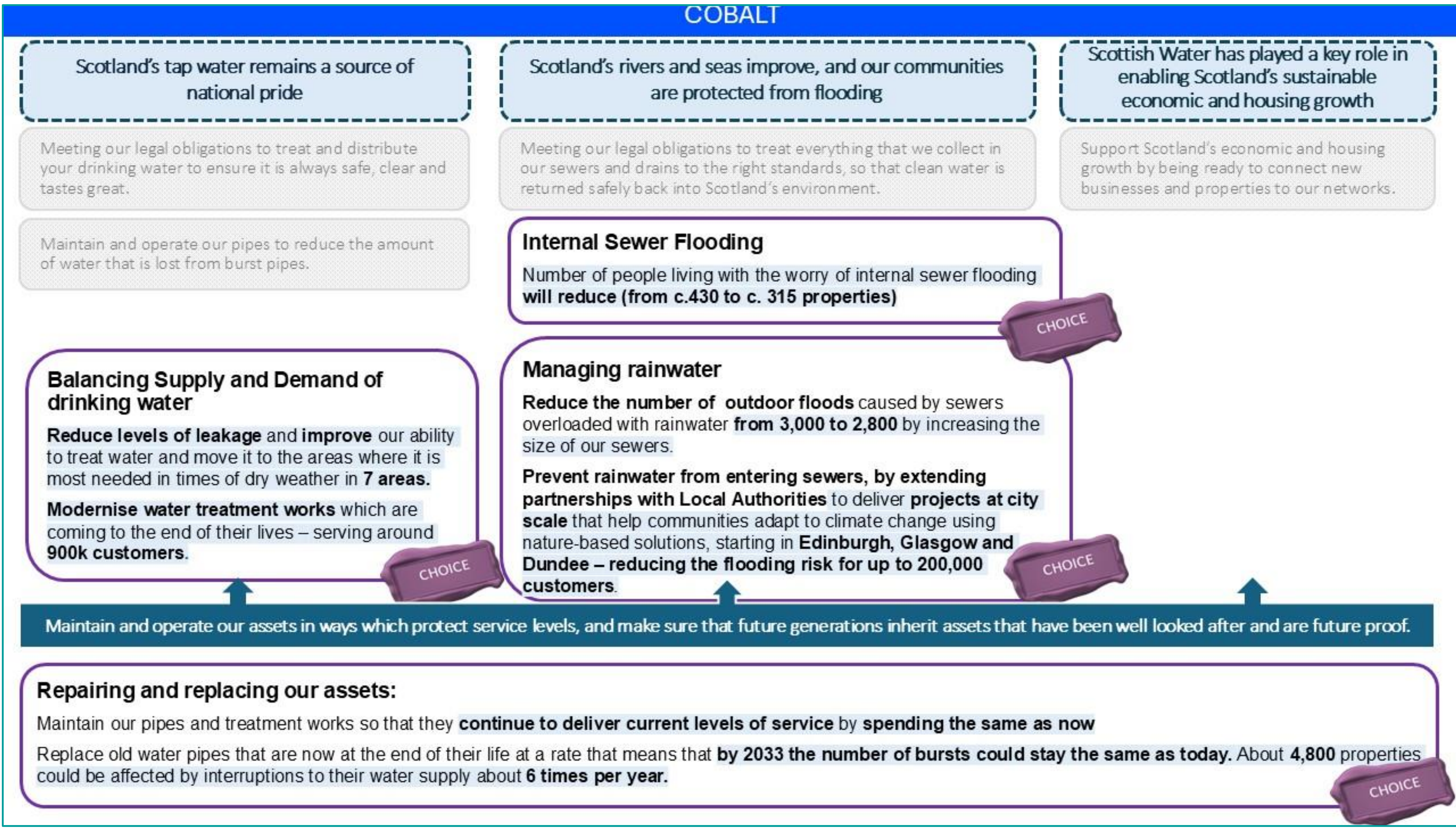
Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

Repairing and replacing our assets: Recognise that will have to spend more money in the future: CHOICE

Maintain our pipes and treatment works so that they continue to **deliver current levels of service by spending less than now and focusing more on reacting to failures**

Replace old water pipes that are vulnerable to bursts at a rate that means that **by 2033 the number of bursts could increase by 25%** compared to today. About **6,000 properties** could be affected by interruptions to their water supply **about 6 times per year**.


COBALT
Scotland's tap water remains a source of national pride
Scotland's rivers and seas improve, and our communities are protected from flooding
Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth
Meeting our legal obligations to treat and distribute your drinking water to ensure it is always safe, clear and tastes great.
Meeting our legal obligations to treat everything that we collect in our sewers and drains to the right standards, so that clean water is returned safely back into Scotland's environment.
Support Scotland's economic and housing growth by being ready to connect new businesses and properties to our networks.
Maintain and operate our pipes to reduce the amount of water that is lost from burst pipes.
Internal Sewer Flooding
Number of people living with the worry of internal sewer flooding will reduce (from c.430 to c. 315 properties)
CHOICE
Balancing Supply and Demand of drinking water
Reduce levels of leakage and improve our ability to treat water and move it to the areas where it is most needed in times of dry weather in 7 areas.
Modernise water treatment works which are coming to the end of their lives – serving around 900k customers.
CHOICE
Managing rainwater
Reduce the number of outdoor floods caused by sewers overloaded with rainwater from 3,000 to 2,800 by increasing the size of our sewers.
Prevent rainwater from entering sewers, by extending partnerships with Local Authorities to deliver projects at city scale that help communities adapt to climate change using nature-based solutions, starting in Edinburgh, Glasgow and Dundee – reducing the flooding risk for up to 200,000 customers.
CHOICE
Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.
Repairing and replacing our assets:
Maintain our pipes and treatment works so that they continue to deliver current levels of service by spending the same as now
Replace old water pipes that are now at the end of their life at a rate that means that by 2033 the number of bursts could stay the same as today. About 4,800 properties could be affected by interruptions to their water supply about 6 times per year.
CHOICE

Business Customer Feedback on the Scenarios

TURQUOISE - Lowest Cost Scenario – 2%

- None of the Businesses opted for the lowest cost scenario that represented modest outcomes, a low investment and lowest bill impact
  - Surprised by this scenario
  - Seen as short sighted and not meeting the challenges that Scottish Water face
  - Potentially reputationally damaging
  - Concerned that bursts could double under this scenario and what impact that could have on operations

AQUA - Medium Cost Scenario – 4%

- Most of the businesses we spoke to in this small qualitative sample reluctantly endorsed the medium cost scenario
  - Not happy or comfortable with the outcomes
  - BUT pragmatic option as they had no real service problems at the moment
  - 'Maintains leakage' and this was welcomed as they did not want leaks to impact on their customers
  - Mixed response to 430 internal sewer flooding properties – larger business more pragmatic
  - Initiative that reduced flooding and prevented rainwater from entering the sewers was positive

COBALT - Highest Cost scenario – 6.5%

- Of those who endorsed the higher cost scenario, there was still concerns that 6.5% was too high
- But there was a concern about putting investment off to the future and the impact this might have on the infrastructure and service levels in the near future

Appendix C

Topic Guide

3682 / SR27 Licensed Provider Interviews
Final Depth Topic Guide

Moderator	
Date	
Time	

Introductions and Warm Up (10 mins)

- Thanks for participating in this research
  - explain that we are an independent, impartial research agency
  - no right or wrong answers and no comments are attributed to you by name
  - MRS Code of Conduct
- You have been invited to participate in this research as Scottish Water are in the process of developing their Business Plan for the period 2027-2033 and they have been undertaking a period of engagement with households and business customers. As a Licensed Provider/Retailer they are keen to understand what you feel Scottish Water should be focusing on in terms of investment over that period. As you hold close relationships with the business customers, the team want to hear your views on what you feel is important to your business customers and also what you feel is important in your capacity as a Licensed Provider/Retailer as you are also a customer of Scottish Water
- During today's interview we will share with you what businesses have already said and show you key investment areas that Scottish Water could include in their next business plan.
- Please introduce yourself
  - Name
  - Role within the organisation
  - How long have you been working in this industry
  - Where are you based in Scotland
  - Before we kick off and talk about priorities for Scottish Water's, what are the key priorities and areas of focus in your business plans
  - What challenges do you face as a business
  - How do you expect Scottish Water should be supporting you as a Licensed Provider

Baseline perceptions of Scottish Water 5 Mins (15)

- We are here to discuss what should go into the 2027-2033 Business Plan for Scottish Water but first we want to find out a bit about what you think about Scottish Water and the operational service they offer to businesses – clean water and wastewater – and the service they provide to you as a Licensed Provider
- Your business customers:
  - What is your view on the service that Scottish water offer to businesses
  - What sort of feedback do you get from your customers
  - What do Scottish water do well for your business customers
  - What areas could Scottish Water improve on for your business customers
- You as a Licensed Provider:
  - What is your view on the service that Scottish water offer to you as a licensed Provider
  - What sort of feedback do you get from your customers

- What do Scottish water do well for your business customers
- What areas could Scottish Water improve on for your business customers

Spontaneous Priorities 10 Mins (25)

- Before we share what the businesses said in their spontaneous priorities exercise, can you please tell me what you feel are the areas that Scottish Water need to focus on and therefore should be included in the 2027-2033 business plan. We would like you to do this from the point of view of your business customers AND in your capacity as a Licensed Provider
- Your business customers:
  - What do you think Scottish water should focus on and why
  - What do you feel they should be doing more or less of
  - Are there any differences in size or type of business
- You as a licensed provider
  - What do you think Scottish water should focus on and why
  - What do you feel they should be doing more or less of
  - Are there any differences in size or type of business

Spontaneous Customer Expectations 5 Mins (30)

- In the customer research, businesses were asked what they expect Scottish Water to focus on in 2027-2033 period and they did this in a homework exercise. We asked them what they would expect Scottish water to do, what would be nice but not essential and what would be the icing on the cake.
- We will share those findings with you now
- SHOWCARD: Spontaneous Expectations – Basic, Nice to Do and Icing on the Cake
  - What do you think about what the businesses said Scottish Water should focus on
  - How well do these match with what you think your business customers would say
  - Are there any differences in size or business type
  - Looking at these and thinking about what you mentioned when you discussed your spontaneous priorities, is there anything you feel is missing

Show Investment Choice Areas 25 Mins (55)

- Scottish Water have identified the following potential investment areas for SR27.
- There is a limit to what they can invest and focus on in this period and we are keen to get your views on these to understand which you think they should be concentrating on in the 2027-2033 period and which could be pushed into the longer term.
- SHOWCARD: Investment Choices (Meeting Obligations and Choice Areas that customers can influence)
  - From your understanding of business needs
  - Where do you think they should focus their investment
  - What do you think could be pushed back
- For each of the different areas:
  - Does this feel like an important area to focus on
  - Why do you say that
  - What would you want them to do here

- What difference would this make to your businesses
- Provide examples of businesses that would be positively or negatively affected by focusing on this area
- Would this have any positive impacts on your business as an LP
- And would it have any negative impacts on your business as an LP

- **SHOW A SLIDE WITH OVERVIEW OF BUSINESS RESPONSES TO THE INVESTMENT SCENARIOS.**
- We have also conducted research with business customers on this topic. This included showing them 3 potential investment scenarios costing CPI +2, 4.5, 6% - Showcard: Three scenarios
- Showcard: Overview of feedback - This slide gives an overview of business feedback related to the investment scenarios.
- What do you think of their feedback? does anything particularly resonate or conflict?

- Can we ask whether you, as a Licensed Provider, have a business plan and what is the core focus of that plan? Does it align or conflict with any of the areas?

Thank and Close 5 mins (60)

- Before we finish for today, thinking about any business plan you have and about the business needs, are there any other areas you feel Scottish Water should focus on in 2027-2033
  - Any service improvements
  - Any transactional elements

- Thank you for participating
- Invite any final questions
- Permission to recontacted to be included in further research as the plan develops
- Close

Accent

SR27: Reconvened Research Report

April 2025

Prepared by: Accent, 3 Orchard Place, London SW1H 0BF

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Prepared for: Scottish Water

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Appendix B Post-task Questionnaire

Appendix C Topic Guides

Appendix D Stimulus Decks

Appendix E Additional Information

Executive Summary

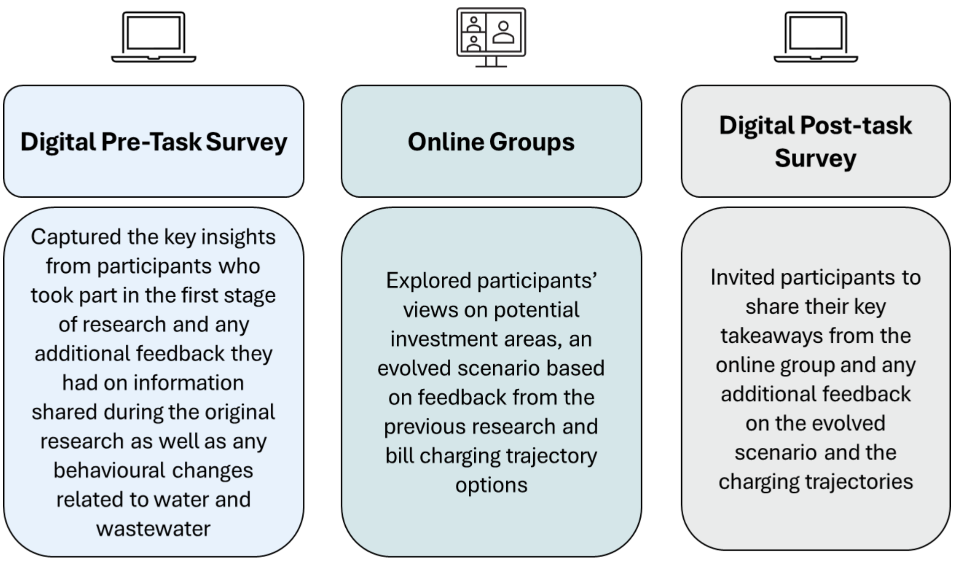
Introduction

Scottish Water commissioned qualitative research to gather insights from customers who had taken part in the initial stage of research to support the further development of its draft business plan for SR27. The objectives of the research were to:

- Explore customer views on non-mandatory areas of expenditure
- Review and evaluate the evolved choice investment scenario
- Understand preferences around bill profiles and trajectory

The study was delivered using an extended qualitative methodology, summarised below

Figure 1: Methodology diagram



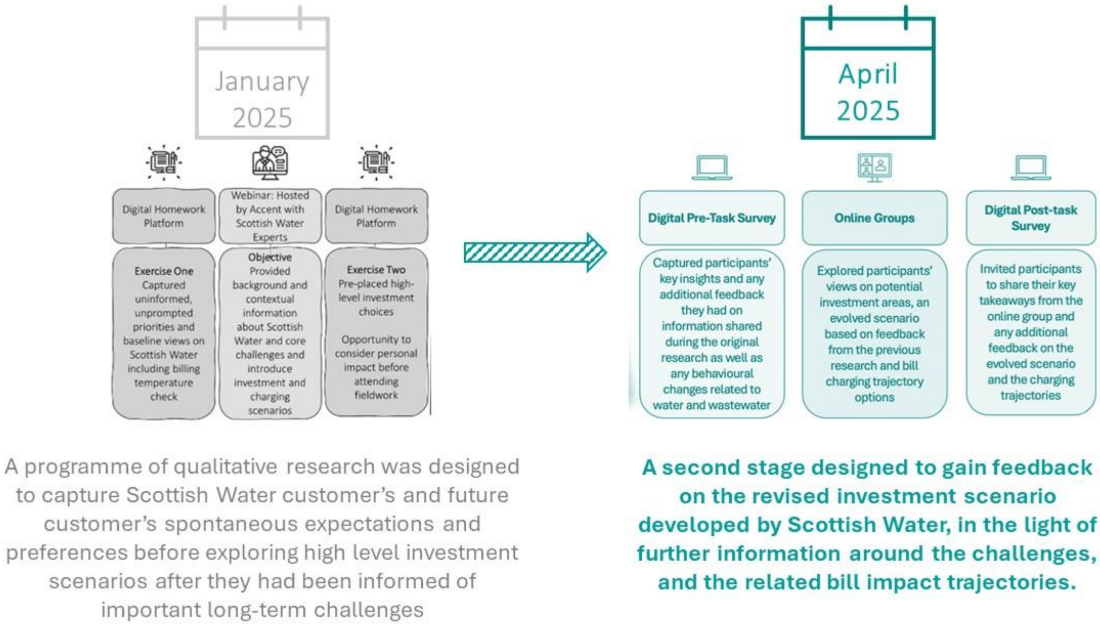
Fifty four customers participated in this stage of the research. These can be characterised as informed and engaged customers, as prior to participating in this current study, they had participated in an earlier research study which comprised multiple components and had agreed to be recontacted for further research. The previous stage of research involved:

- Attendance at a webinar delivered by the Scottish Water team
- Participation in a face-to-face workshop or digital discussion group or in-depth interview
- Completion of a series of individual pre- and post-session homework exercises.

For the current study, and as outlined above, participants completed additional pre- and post-session homework exercises and took part in online discussion groups.

An overview of both stages of work is shown below:

Figure 2: Summary of both stages



While this process ensured a well-informed audience capable of providing considered feedback on the evolved investment scenario, it is important to note that these participants do not reflect the average knowledge levels of Scottish Water's broader customer base. The findings should therefore be interpreted within this context.

Table 1: Breakdown of sample for the 9 online groups

Household Customers

Reconvened Online Groups with previous participants from face-to-face Urban/Suburban workshops (Aberdeen and Edinburgh), online groups and depth interviews – HH (33 Customers)				
Previous Fieldwork Type	**Gender**	**SEG**	**Water Supply**	**Customers in Vulnerable Circumstances**
13 x Aberdeen workshop participants 11 x Edinburgh workshop participants 9 x Rural and Remote	18 x Female 14 x Male 1 x Non-binary	18 x ABC1 10 x C2DE	29 x Dual Supply 4 x Water Only	4 x Low Income 7 x Medically Vulnerable

Non-Household Customers

Reconvened Online Groups with previous participants from online groups – NHH (15 Customers)		
Industry	**Bill Size**	**Size**
Agriculture, Hospitality, Health and Beauty, Manufacturing, Sustainability and Arts	£150 per month to £4,583 per month	Micro, Small, Medium and Large

Future Customers

Reconvened Online Groups – Future (6 Future Customers)	
Gender	**Customers in Vulnerable Circumstances**
2x Female 3 x Male 1 x Non-binary	3 x Low Income

Rebalanced 'Navy' (CPI+4%) Investment Scenario

The findings of the previous stage of research showed that while the bill increase of CPI+4% was largely acceptable, the related scenario ('Aqua') was not seen as sufficiently ambitious. So, for this stage, customers were presented with more information on each of the investment areas and a rebalanced, high-level potential investment scenario representing bill increases of CPI+4%. For continuity with previous research phases, this scenario was referred to as 'Navy', renamed to minimise potential anchoring bias that could arise from numerical or alphabetical labelling. Initially, the scenario was shown with indicative spend levels across investment areas. This was then followed by illustrations of potential outcomes if spending in each area were adjusted by ±£50 million. The bill implications of the Navy scenario were covered in full later in the session to allow for more reflective and informed responses.

- In the context of their priorities and increased understanding of the investment areas, participants generally felt that the Navy scenario was well-balanced and offered clear, tangible outcomes.

- Participants were shown the approximate relative spend allocated to mandatory versus non-mandatory areas of expenditure. This comparison helped to illustrate the overall scale of the investment challenge, the level of funding required, and to manage expectations regarding the potential spend within the choice areas. A summary of participants' views on the various discretionary investment areas included in the Navy scenario is provided below:

  - Water resilience schemes are accepted as necessary for the long term if they are sustainable and beneficial for all areas affected by the changes in climate and population.

  - The 10% reduction in leakage outlined is welcomed though still felt open to improvement.

- Partnerships to manage rainwater are supported, as this is not felt to be solely the responsibility of Scottish Water and its customers, although the areas mentioned were felt to be somewhat biased towards the central belt of Scotland.

- The repair and replacement of assets is a priority in general and customers want to see investment in this area, although they are unsure of the overall impact and benefits of focusing on the pipes from the 1970s that represent around 10% of the network.

- The size of investment to keep on top of internal sewer flooding still feels disproportionate to other areas that are felt to have wider impact, although these customers understand that the number of properties affected is not static and that the funding is aimed at keeping on top of the problem.

- Customers welcome activities related to land management and the creation of woodlands, while references to using technology and innovation to aid net zero and lower the carbon emissions of Scottish Water's processes are also welcomed.

- When invited to consider re-prioritising expenditure across investment areas, participants generally maintained the allocations presented in the Navy scenario. Where changes were suggested, they typically involved diverting funds to choice areas perceived to benefit a greater number of customers and deliver broader impact.

Non-mandatory Spend Areas

Six areas of discretionary (non-mandatory) expenditure were explored in detail with participants, and they were subsequently shown information on the potential options for increasing or decreasing investment in each of these areas. A summary of their views on each is provided below:

- **Balancing supply and demand of drinking water**
  There is overall acceptance that climate and population challenges are impacting or will impact the availability of drinking water in some areas, with more acceptance than previous research of the need to move water around Scotland in the future.

- **Leakage**
  The achievement of 20% reduction over the last ten years is welcomed, but the current level still feels unacceptable, and this is considered a high priority for customers.

- **Managing rainwater**
  While seen as an important area for investment, the mention of Partnerships here is important, as sewer overspill is seen as a joint responsibility with local authorities, planners, and developers.

- **Repairing and replacing assets**
  The overall repair and replacement programme is a key priority for customers. However, they are unsure of the impact of specific investment in replacing the 10% of pipes laid in the 1970s.

- **Internal sewer flooding**
  The additional information on the 'at risk' register for internal flooding has helped to deepen customers' understanding around this area, but there is still some debate around wanting to remove this risk for others but not wishing to divert spend from areas with a wider impact.

- **Working towards net zero**
  This area was not covered in detail in the previous research but was referred to in the introductory webinar in January before being presented in detail at this stage. There is some resistance to high levels of investment in this area due to other pressing needs, uncertainty about the likelihood of achieving targets, and the perceived role of other agencies.

Potential Bill Trajectories

The Scottish Water team prepared two bill impact scenarios for discussion representing different charging trajectories. One was a steady increase of CPI+4% each year over the period of SR27, the other was a front-loaded increase of CPI+11% in the first year followed by CPI+1.47% in subsequent years. Household (HH) and Business (NHH) participants were shown example bill impact trajectories (from council tax band B for HH and £1,000 annual spend for NHH) and custom trajectories based on their own council tax band (HH) or water bill level (NHH). Future customers were shown example trajectories and the range of water and wastewater bill levels across council tax bands.

- Participants recognised that they are now more informed than the larger customer base and as a result appeared generally more accepting of the need to increase bills to fund investment after two rounds of research and exposure to detailed information.

However, the recent April 2025 rise of 9.9% in water and wastewater bills, and up to 15% in overall council tax that had happened around the time of this research has prompted some surprise and resentment.

- The steady increase is seen as a more acceptable way to introduce bill rises in the light of personal/business financial challenges and economic uncertainty.

While the rationale for introducing higher bill increases earlier in the investment period to start work earlier and secure better prices was broadly understood and accepted across groups, participants acknowledged that this would be challenging for customers to afford and for Scottish Water to communicate effectively.

1 INTRODUCTION

1.1 Background

Scottish Water supplies drinking water to around 2.6 million households and 160,000 business premises, providing about 1.5 billion litres of water every day. It is also responsible for managing wastewater from homes and businesses, treating sewage, and ensuring that the water returned to the environment meets strict quality standards.

Scottish Water is regulated by several bodies:

- The Water Industry Commission for Scotland (WICS): Sets the charges that Scottish Water can levy and monitors its efficiency
- Scottish Environment Protection Agency (SEPA): Oversees environmental performance and ensures that water services meet environmental protection laws
- Drinking Water Quality Regulator (DWQR): Monitors the quality of drinking water supplied by Scottish Water.

The Strategic Review of Charges is a process conducted by WICS every six years to determine the charges that Scottish Water can charge for its services. The price review sets the framework for Scottish Water's operations, investments, and customer charges over the review period. It ensures that Scottish Water delivers high-quality services at a fair price, while making necessary investments in infrastructure and maintaining environmental and sustainability standards.

The next Scottish Water price review, SR27, will require Scottish Water to submit a detailed business plan that outlines investment needs, service levels and pricing strategies for the 2027-2033 period. This plan must be evidence-based and consider the maintenance and replacement of critical infrastructure such as pipes and treatment plants, which have long-term implications for service quality and cost. A key focus of the review will be balancing the needs of current and future customers, ensuring that investment costs are fairly shared.

A critical aspect of the price review process is engagement with customers, stakeholders, and communities to understand their priorities and expectations. This feedback influences decisions on:

- Service improvements
- Investment in infrastructure and technology
- Customer affordability and tariff structures.

Scottish Water is in the process of developing its business plan for the SR27 regulatory period. The draft version of the plan will be published in June 2025, with the final version to be released by February 2026.

The SR27 business plan will build upon Scottish Water's Long-Term Strategy (LTS), which is designed to provide a comprehensive roadmap for the future of water services in Scotland. The LTS outlines key priorities and objectives for ensuring a resilient, sustainable and customer focused service, with a particular focus on innovation, climate change adaptation and long-term infrastructure investment.

A previous piece of qualitative research designed to explore customer expectations for SR27 and their response to three high level investment scenarios was conducted in January 2025. This report outlines the results of subsequent research that was conducted with some of the customers who had taken part in the first stage and agreed to participate further to gauge their reactions to a rebalanced investment scenario and associated bill profiles, in the context of more detailed information on some of the areas of non-mandatory spend.

1.2 Objectives

This research study aimed to provide customer insight to further inform the development of the SR27 plan through the following research objectives:

- Exploring the non-mandatory spend areas:
  - Presenting customers with further information around each of six non-mandatory expenditure area.
  - Exploring whether they support a redistribution of spending within these areas to better align with their priorities.

- Reviewing the evolved choice scenario:
  - Presenting customers with a rebalanced investment scenario (Navy).
  - Gathering feedback on its outcomes and overall acceptability.
  - Exploring views on the balance of between non-mandatory expenditure areas and related preferences.

- Understanding bill profile and trajectory preferences:
  - Present customers with two different bill profile options linked to investment speeds.
  - Determine which trajectory they prefer and the reasoning behind their choices, balancing affordability with service improvements.

2 METHODOLOGY

2.1 Approach

The participants in this research were recruited from the previous stage that was conducted in January 2025, as all customers who took part in this stage had agreed to be recontacted. Those taking part in this stage represented just over 40% of the initial research group.

In this phase of the research, a targeted selection of customers was re-contacted via email and invited to participate in this phase of work which included a pre- and post-task and attendance at a digital discussion group. The sample was carefully selected to ensure a balanced representation across age, gender, and social grade (SEG) categories. If they were unable to participate, then another customer from the original pool of previous research participants was invited in their place.

As illustrated in Figure 1, the research study comprised three key phases designed to: (1) remind participants of the previous research, (2) encourage full engagement during the discussion groups, and (3) provide an opportunity for additional feedback following post-session reflection:

- A pre-task exercise to prompt recall of the previous research and gauge subsequent changes in their perceptions of Scottish Water or their water related behaviour.
- Digital (via zoom) discussion groups
- A post-task exercise to gather post-session thoughts on the areas discussed.

The following incentives were paid to participants as part of this research:

- £5 for completion of pre-task
- £100 for attendance of the online group (business participants)
- £70 for attendance of the online group (household participants)
- £10 for completion of post-group exercise.

Figure 1: Methodology diagram

Digital Pre-Task Survey

Captured the key insights from participants who took part in the first stage of research and any additional feedback they had on information shared during the original research as well as any behavioural changes related to water and wastewater

Online Groups

Explored participants' views on potential investment areas, an evolved scenario based on feedback from the previous research and bill charging trajectory options

Digital Post-task Survey

Invited participants to share their key takeaways from the online group and any additional feedback on the evolved scenario and the charging trajectories

2.2 Research Sample

Fifty four Scottish Water customers who took part in the previous stage of research were engaged in the nine online groups that formed the discussion stage of this study. A breakdown of the research group sample is provided below.

Table 2: Breakdown of sample

Household Customers

Reconvened Online Groups with previous participants from face-to-face Urban/Suburban workshops (Aberdeen and Edinburgh), online groups and depth interviews – HH (33 Customers)				
Previous Fieldwork Type	**Gender**	**SEG**	**Water Supply**	**Customers in Vulnerable Circumstances**
13 x Aberdeen workshop participants 11 x Edinburgh workshop participants 9 x Rural and Remote	18 x Female 14 x Male 1 x Non-binary	18 x ABC1 10 x C2DE	29 x Dual Supply 4 x Water Only	4 x Low Income 7 x Medically Vulnerable

Non-Household Customers

Reconvened Online Groups with previous participants from online groups – NHH (15 Customers)		
Industry	**Bill Size**	**Size**
Agriculture, Hospitality, Health and Beauty, Manufacturing, Sustainability and Arts	£150 per month to £4,583 per month	Micro, Small, Medium and Large

Future Customers

Reconvened Online Groups – Future (6 Future Customers)	
Gender	**Customers in Vulnerable Circumstances**
2x Female 3 x Male 1 x Non-binary	3 x Low Income

In addition to the reconvened participants, all other individuals who took part in the previous stage of research were sent the pre-task homework exercise, ensuring they had the opportunity to provide feedback on the initial sessions and to encourage ongoing engagement.

Given that this is a qualitative study, it is essential to acknowledge that some segments had a low number of participants.

2.3 Sample Coverage

The methodology and sample design were carefully designed to ensure geographical representation from the database of participants in the previous stage of research. The sample also included a diverse range of council tax bands for household customers and bill sizes for non-household customers.

Copies of the recruitment questionnaires are shown in the appendices. These include the definition used to define urban, suburban, rural and remote areas.

The geographical spread covered urban, suburban, rural and remote areas as shown in the map below.

Figure 3: Map showing geographical spread of research participants

3 Stimulus Overview

3.1 Project Materials

Full examples of the project materials included in this report can be found in:

- Appendix A: Pre-task Questionnaire
- Appendix B: Post-task Questionnaire
- Appendix C: Topic guides
- Appendix D: Stimulus deck.

3.2 Initial Homework Exercise

Prior to the online group discussions, all participants completed a homework exercise on Accent's digital platform.

The key questions are shown below:

What are three key insights or takeaways you remember from the research event you attended?

Have you had any additional thoughts on the information shared during the research? Please think about the information provided on the challenges and Scottish Water's draft business plan scenarios

Has your view of Scottish Water changed since participating in the research?

- Yes – in what way:
- No

And have any of you changed the way you use or think about water since participating in the research?

- Yes – in what way:
- No

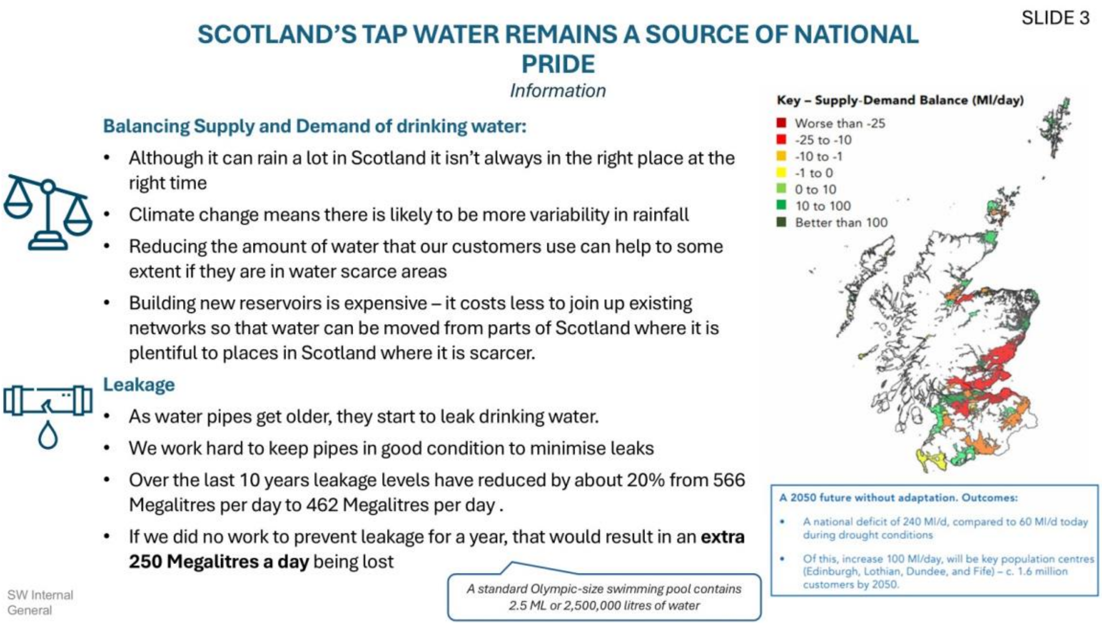
Key findings from the pre-task exercise are outlined later in this report.

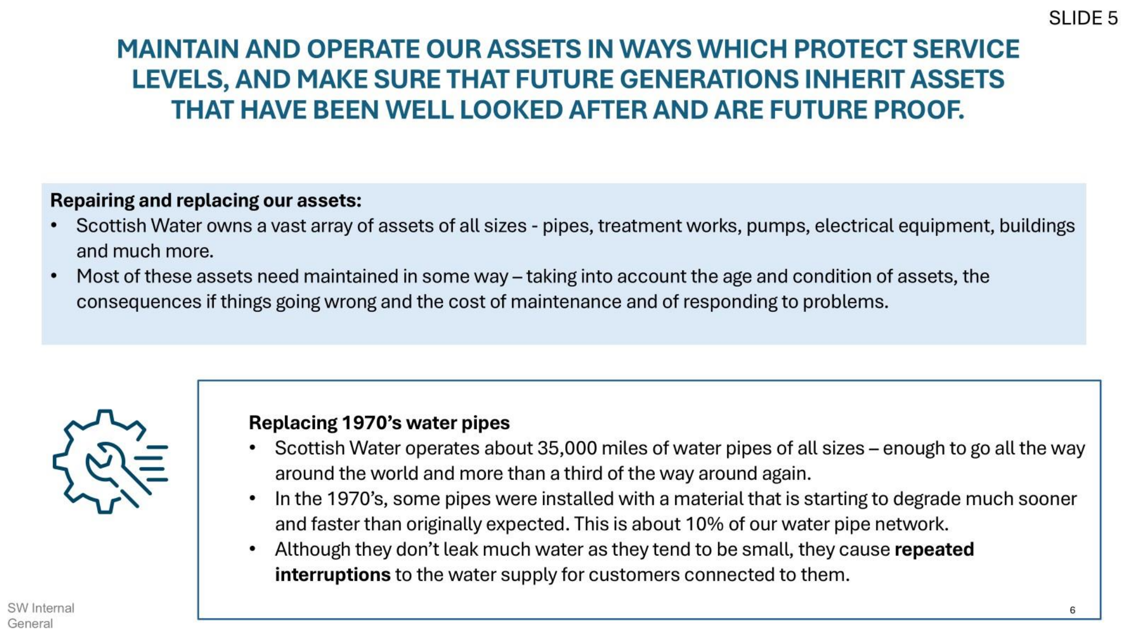
3.3 Non-mandatory expenditure areas

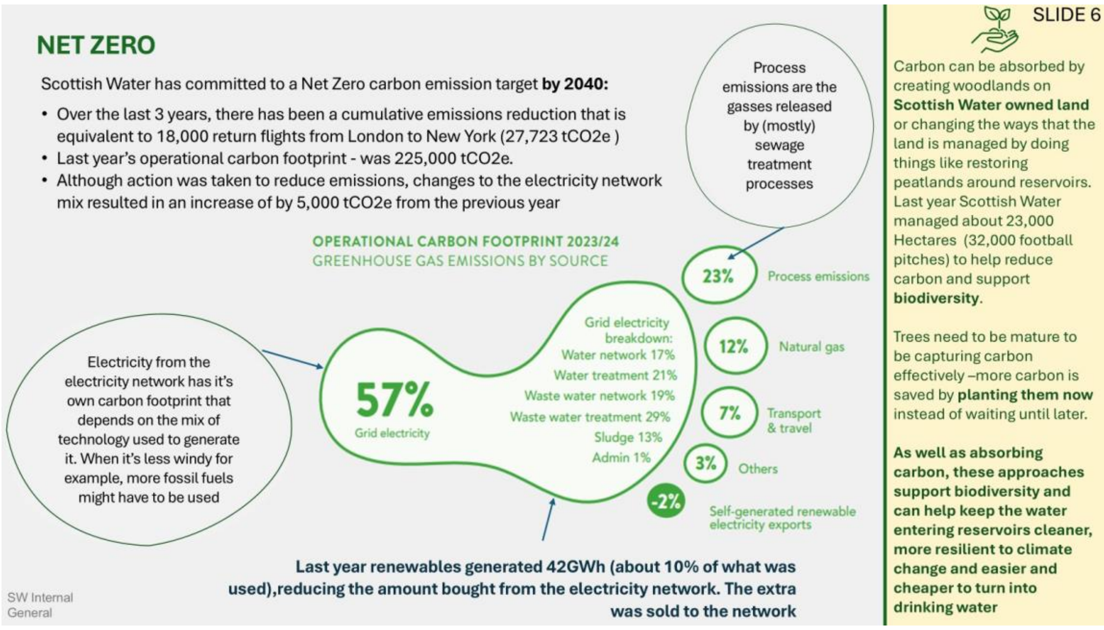
In response to feedback from the previous stage of research, where participants requested more detailed information on each area to enable better-informed responses to potential investment scenarios, participants were reminded of various non-mandatory expenditure ('choice') areas and provided with additional details on each. While Net Zero was not extensively covered in the earlier research, it was explored in greater depth during this stage.

Figure 4: Choice areas stimulus

A summary of additional information given is shown in the figure below and outlined in the relevant sections to follow in this report.



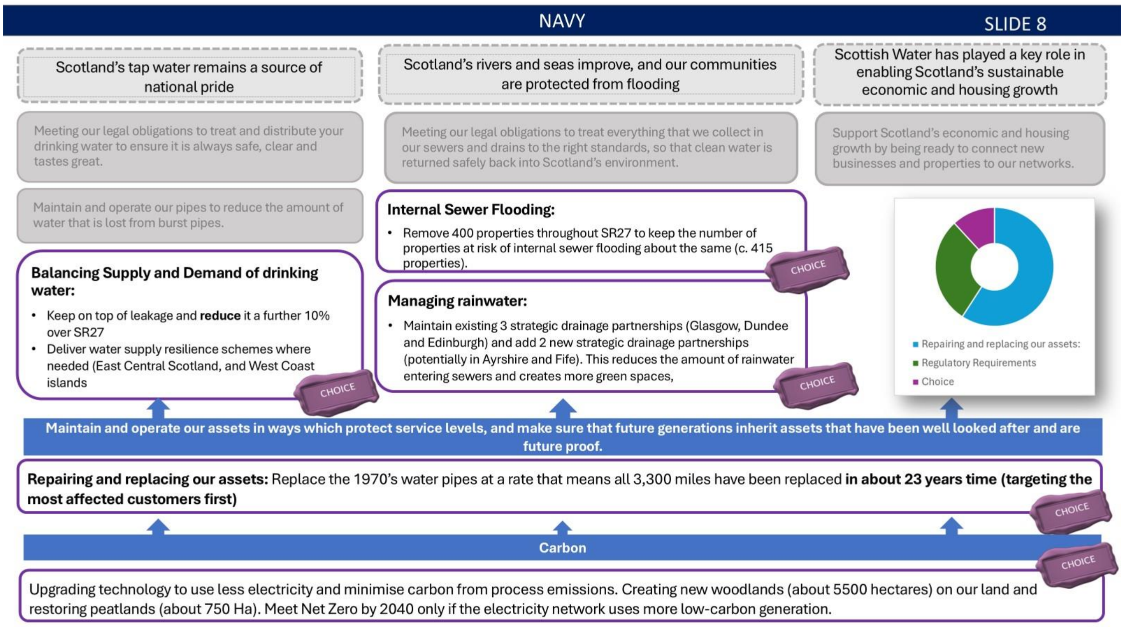




3.4 High Level Investment Scenario

Customers were presented with a rebalanced, high-level investment scenario representing bill increases of CPI+4%. For continuity with previous research phases, this scenario was referred to as 'Navy', using a colour designation to minimise potential anchoring bias that could arise from numerical or alphabetical labelling. Initially, the scenario was shown with indicative spend levels across investment areas. This was then followed by illustrations of potential outcomes if spending in each area were adjusted by ±£50 million. The bill implications of the Navy scenario were covered in full later in the session to allow for more reflective and informed responses.

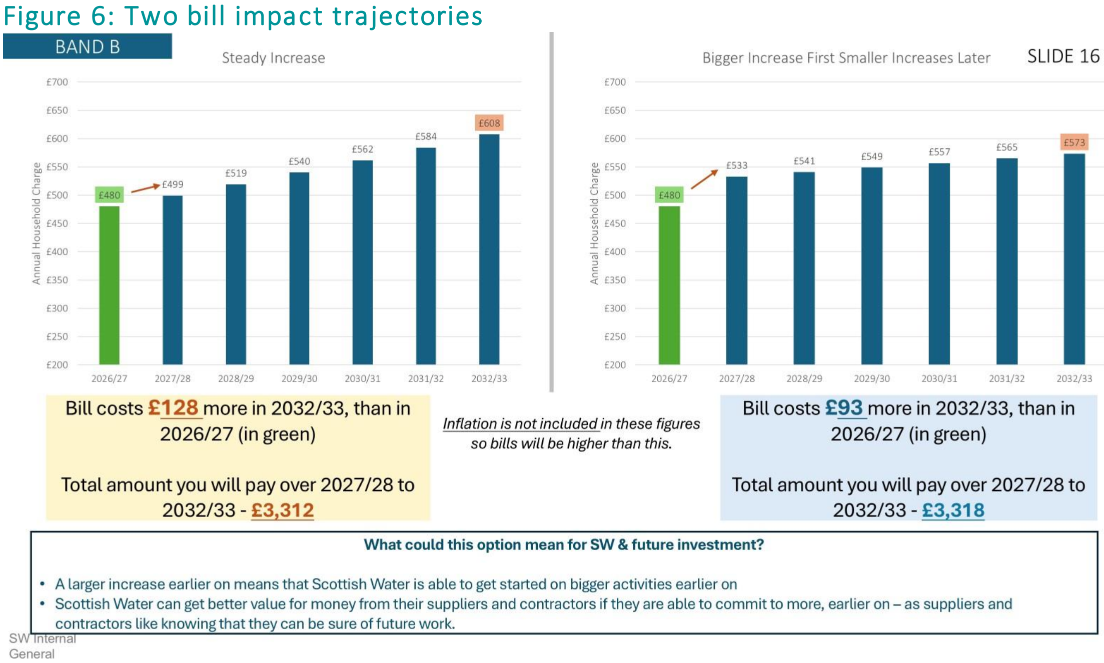
Figure 5: High level investment scenario – 'Navy'



3.5 Bill Impact Trajectories

The Scottish Water team prepared two bill impact scenarios for discussion representing different charging trajectories. One was a steady increase of CPI+4% each year over the period of SR27, the other was a front-loaded increase of CPI+11% in the first year followed by CPI+1.47% in subsequent years. Household (HH) and Business (NHH) participants were shown example bill impact trajectories and custom trajectories based on their own council tax band (HH) or water bill level (NHH). Future customers were shown example trajectories and the range of water bill levels across council tax bands. Participants were also reminded, via the stimulus and the narrative, about the potential impact of inflation on these bill projections.

Figure 6: Two bill impact trajectories



3.6 Post-Session Homework Exercise

After the digital group discussions, all participants completed another homework exercise on Accent's digital platform.

The key questions are shown below:

- What are three key insights or takeaways you remember from the most recent research session you participated in?
- Have you had any additional thoughts on the rebalanced scenario we shared during the research - 'Scenario Navy'?
- To what extent do you agree that Scottish Water has listened to the views you and others put forward in the previous session you attended to create the rebalanced scenario navy? Please indicate on a scale of 1 – 10 where 10 is strongly agree and 1 is strongly disagree.
- Why do you say this?
- We shared two potential charging trajectories with you (one with a steady increase, and the other that had a bigger increase first followed by smaller increases in later years) Please have another look at the personalised bill impact we sent you. Here is an example we shared in the group as a reminder. Please tell use which option you prefer and why?
- What do you think is the most important information for Scottish Water to get across to the wider public about their future business plan?

Key findings from the post-task exercise are outlined later in this report.

3.7 Analysis

Thematic analysis was employed as the primary methodology to identify, analyse, and report patterns (or themes) within the data gathered from various sources. This included a thorough examination of moderator observations, group recordings, transcripts from focus groups, and homework exercises completed by participants. The process involved systematically organising the data to uncover key themes that emerged across different participant responses and interactions. By coding the data and grouping similar concepts together, the analysis aimed to offer a comprehensive understanding of the underlying patterns and insights to inform the strategic objectives of the research.

4 Results of initial homework exercise

The initial homework exercise was sent to all Scottish Water customers who had taken part in the first stage of research, even if they were not participating in the digital groups for this round of research. Eighty three responses were received with an overall response rate of 65%.

The key themes that emerged from the pre-task centred on the degree to which the previous stage of research had increased customers' awareness of Scottish Water's operations, including the processes involved in managing water and wastewater, the long-term and short-term challenges faced, and the decisions that must be made regarding investment.

- Key areas of recall, ranked in order of popularity, included:
  - The need for bill rises to fund necessary work
  - Increased awareness of the extent of work and cost involved in providing water/wastewater services
  - The condition of assets and related implications
  - The choices SW must make between areas in need of investment
  - The quality of water
  - The risk of flooding, particularly internal sewer flooding
  - The impacts of climate change, including the risk of drought
  - The possibility of metering
  - The level of leakage
  - Scottish Water’s work to protect the environment
  - Potential movement of water

“The huge amount of sewage blockages (from nappies, grease, hair and other things which are not meant to enter the pipes) that Scottish Water attend to which take away from infrastructure improvement budgets.”
HH Rural/Remote

“Scottish Water had a variety of competing issues that were in desperate need of fixing.”
HH Rural/Remote

"That climate change will have an increasingly significant impact on Scottish Water's future production abilities unless improvements are made."

HH Suburban/Urban

"For the better- I understand more about the ins and outs of where my water comes from and the importance of this research for improving in the future"

Future

"I think the raising of bills should be a steady one. The problem of water leaks must be addressed quickly. And the risk of pollution must be monitored."

NHH

"'I had a general idea of what Scottish water does but it changed my views when I came to know more in depth about the services they provide and the effort and hard work goes into this."

NHH

I think it broadened my view on what they actually do throughout Scotland with the reservoirs and maintenance."

HH Urban/Suburban

"Sometimes what seems like the straightforward answer like making cleaner water, and fixing older pipes, may come at the cost of other things like cheaper water bills."

Future

When asked whether participating in the initial research had changed their view of Scottish Water and the service they provide, 69% of participants agreed with 31% saying their views had not changed[1]. For those who changed their view, their reasons included:

- Deeper understanding of the breadth of responsibilities and challenges faced by Scottish Water
- More appreciation of work being done 'behind the scenes'
- Viewing Scottish Water as transparent and trustworthy based on the engagement they have had with the public and the rigour of the process.

67% of customers who completed the homework exercise reported that they had changed the way they use or think about water or wastewater since participating in the research[2]. The key change is a greater awareness of how much water they use with participants taking steps to reduce their water consumption as a result of taking part in the research.

[1] The findings are based on this qualitative sample and are not statistically representative of the wider population.

[2] The findings are based on this qualitative sample and are not statistically representative of the wider population.

5 Variations by Segment

There was a high degree of consistency in the views expressed across the different customer segments, with only slight variations in individual perspectives within each group. However, the core themes and priorities remained largely aligned, suggesting that the specific demographic or customer group – whether urban, rural, future-focused, or business-oriented – does not significantly influence responses in this context. Any notable differences observed between segments have been explicitly highlighted in the relevant sections of the analysis.

In response to the non-mandatory areas of spend and the related scenario, customers often framed their priorities based on a broader societal context, focusing on the potential impact on the wider population. Participants typically discussed their priorities in terms of the number of customers who would benefit from improvements in each area, as well as the anticipated long-term benefits such as service enhancements or future cost savings. As identified in previous research, customers are generally satisfied with their current water and wastewater services, which suggests that their responses were not primarily driven by their own experiences or immediate service concerns.

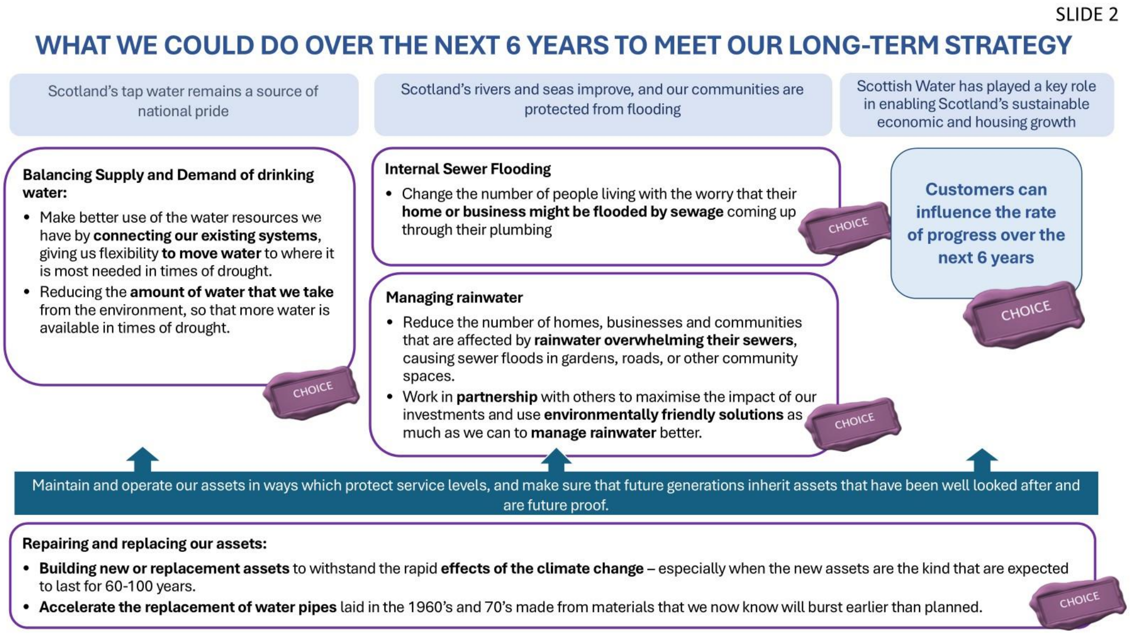
Environmental issues, for instance, elicited a range of individual perspectives rather than group-specific consensus, highlighting a diversity of opinion within the customer base. Similarly, views on matters like internal sewer flooding were more influenced by individual empathy or personal experiences rather than any notable patterns within specific groups.

While the findings offer rich and detailed insights into customer perspectives, they should not be considered fully representative of the broader population. Instead, these insights should be viewed as exploratory, offering depth and context that contribute to a deeper understanding of customer priorities and attitudes.

6 Response to Non-Mandatory Expenditure Areas

In the first wave of research, participants asked for more detailed information to allow for them to give better informed feedback on the potential investment scenarios. During this subsequent stage, they were reminded of various non-mandatory expenditure areas and provided with additional information on each. The enhanced information presented appeared to deepen customers' understanding of the challenges associated with investment decisions. This has implications for communication both leading up to and during the launch of the plan.

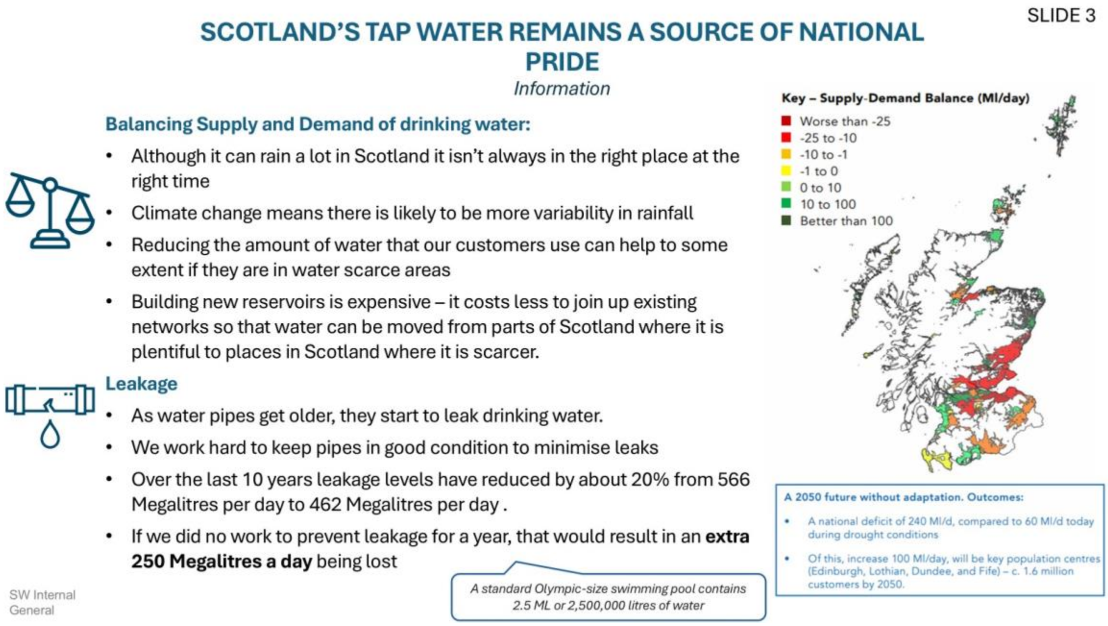
Figure 7: Reminder of non-mandatory expenditure areas



6.1 Balancing Supply and Demand of Drinking Water

Impact of additional information: The visuals illustrating water scarcity projections for 2050 reinforced the overall understanding that climate and population challenges are currently impacting, and will continue to impact, the availability of drinking water in certain areas. Additionally, the improved information highlighting the cost-effectiveness of linking parts of the network, as opposed to building new reservoirs, enhanced participants' understanding of the future need to transport water across Scotland.

Figure 8: Balancing Supply and Demand of Drinking Water



It is accepted that changes in climate and population are challenges that are, or will have an impact on the availability of drinking water in some areas, and customers recognise that highly populated areas could suffer in future due to increased demand for water.

- There is less scepticism than in the previous stage about the likelihood of drought in Scotland, but customers still question the expected frequency of these issues in relation to the potential spend.

- Joining up the existing network makes sense to customers if it is genuinely cheaper and as effective as building reservoirs. Though there were some questions as to how water will be stored in the areas it is moved to.

- There is some concern around the potential disruption and impact on the environment of the work needed to join up areas of the network, and the reassurance that this will only happen when it is sustainable for the areas that the water is taken from is welcomed.

- The graphic showing the potential picture in 2050 without adaptation was shocking for most customers in terms of the potential number of areas that could be short of water in the future, and this helped to move the issues around supply and demand of drinking water higher up in some customers' priorities.

- Some of those living in areas where there has been heavy rainfall asked what kind of support there would be for those areas experiencing flooding due to changes in the weather.

- As with the previous research customers in various groups discussed the importance of education around more careful use of water and suggested that Scottish Water needs to support homes and businesses with water saving tips and equipment.

"How often does that occur in a year where we might need to transfer water from one area to another, because I don't imagine it happens too frequently in Scotland. But maybe it does, and we're just not aware of it."

HH Urban/Suburban

"What doesn't sit well with me as a business owner is that because everyone pays for water within their council tax, everyone thinks that water is free in Scotland. It's even in Visit Scotland adverts about free, amazing tap water, and I just don't understand how we have to use it as a way to say, Oh, look how awesome this free tap water is, and then secretly turn around to Scottish businesses and say we've actually got to pay for it to continue."

NHH

"It's understandable why there might need for more investment, because letting the issues get bigger would be an issue for sure. Things we're not really aware of, like the fact that even though you live in an area where it does rain a fair amount, the population might be using more water than there is rain"

HH, Urban/Suburban

"I'd like to see what help is being given when we are affected by storms in our more remote areas. Fine to move water from here to elsewhere but what type of support is being offered to us?"

Remote/Rural

"I'm not surprised by how much the supply and demand imbalance would be, but, like Dundee and Fife. Edinburgh I'm quite shocked actually. And I think a lot of people aren't aware of that, that it's going be a much bigger problem. So, I think their plan right now for what they want to do. I support it."

Future

"It's the Central Belt, isn't it? And you mentioned earlier on about people moving from west to east, and the number of people in the east side of the country increasing and stuff. So, I suppose that' this is an example of that increase in population, I suppose, isn't it, that those areas would be the most affected."

Urban/Suburban

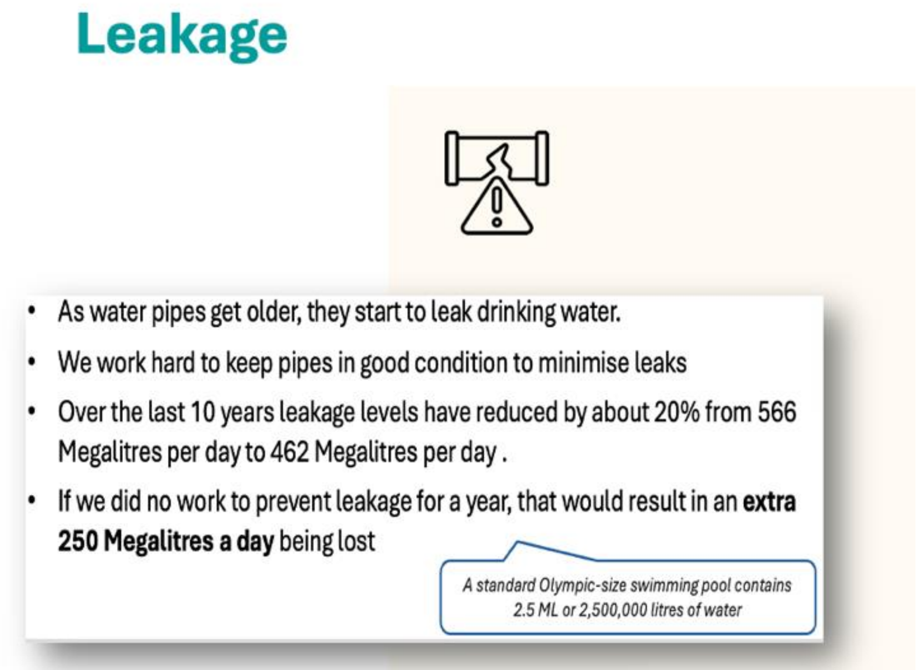
"I guess I've slightly got a vested interest being based in Dundee. So the red areas are where, like, you know, the east coast of Scotland, particularly Dundee, and up to Aberdeen, get the most hours of sunlight in Scotland, so I can imagine if they were already going to be in a deficit by 2050, with the increase in sunlight then compared to the rest of Scotland, it could get even worse."

NHH

6.2 Leakage

Impact of additional information: Further detail on the impact of not managing leakage and linking the scale of leakage to the equivalent in Olympic sized swimming pools has helped clarify the extent of the challenge.

Figure 9: Leakage



- The extent of current leakage explained feels unacceptable to customers, so this choice area is a high priority.
- Leakage is seen as a waste of money and is felt to be representative of past inefficiencies and a lack of investment.
- Customers are also concerned about the environmental impact of leakage and the fact that it reduces the amount of drinking water available.
- The reduction of 20% over the last 10 years, while appreciated, is not seen as sufficiently ambitious.
- The explanation of leakage levels in terms of swimming pools' worth of water helped participants to understand the extent of the problem and sparked genuine concern about how much water is being lost.
- The extent of the issue prompted some questions from customers about whether previous spend levels to address leakage have been too low, and how quickly pipes are generally being replaced with newer more robust materials versus repairing problems once they occur.

- Participants asked how work to address leakage is prioritized and to what extent this is proactive, using sensors etc to find potential problem areas before leakage happens.

"It just really hammers home the point of why this research is being conducted, and why it's so important to upgrade the system, and why, I guess maintenance or trying to keep things ticking along as they are, is not really an option just from those figures alone about the leakage."
Urban/Suburban

"What are the direct impacts on us moving forward. How does it impact our day to day lives, you know. Yeah, okay, we lose a lot of water. Right? Okay, well, what does that sort of mean, longer term, you know. How are we going to effectively suffer as a result of it? What kind of costs are we going to have to take on?"
Rural/Remote

"The fact that just there could be like 250 megalitres of water, just, you know, lost when people could be using it seems insane to me."
Future

"They feel like quite big numbers for leakage, and also just a bit alarming that if we don't do the extra work, then immediately you're losing all of the ground that I guess they've gained in reducing leakage by 20%. So yeah, obviously, you would want to avoid that and keep making progress rather than losing ground."
Urban/Suburban

"And it sounds bad, but it's actually coming out of our pocket as well, like what we're all paying for it. I know it's obviously owned by Scotland. But we're obviously paying for these leakages as well. So I know things can't be helped, but when it comes to what's the most important. I would say this one's definitely, very, very important in terms of leakage compared to rainwater compared to the sewage things of businesses and houses. This is really important because it affects everybody."
NHH

6.3 Managing Rainwater and Internal Sewer Flooding

Impact of additional information: Clarity around strategic relationships is important here, as sewer overspill is seen as a joint responsibility with local authorities, planners, developers. The additional information on the 'at risk' register for internal flooding being non-static helps to deepen understanding that the funding is aimed at keeping on top of the risk rather than dealing with a small number of specific properties.

Figure 10: Managing rainwater and internal sewer flooding

- Activities to divert rainwater are welcomed but also questioned as to their effectiveness, especially in built-up areas where customers feel there are fewer opportunities to create green spaces or other drainage solutions.
- Working with others (such as developers and local authorities) is seen as key, as customers do not see this as something that Scottish Water can address on its own. They feel it can be linked to over-development and questionable planning decisions, and they feel that Scottish Water and its customers should not be solely responsible for funding solutions.
- NHH customers recognise the potential impact on their businesses' operation and reputation of sewer flooding in or around their premises, so they understand the importance of reducing the risk here.
- As with previous research we saw again how reducing the risk of internal sewer flooding is polarising to some extent, in terms of how much of a priority it is felt to be for customers. It is seen as unacceptable for those affected and there are concerns that it represents health risks etc. However, it is perceived to affect a relatively small number of customers in comparison to some of the other potential investment areas.
- The additional information presented to customers about the 'at risk' register for internal sewer flooding and the fact that this register involved a churn of properties helped to deepen their understanding of the issue and the extent of the problem. However, there is still debate about why properties become at risk and if this is solely Scottish Water's/bill payers' problem to solve.
- On the whole participants are still conflicted between wanting to remove this risk for others and not wishing to divert spending from areas with a wider impact on a higher number of customers.

"Internal flooding would be unacceptable for any length of time, whereas managing rainwater. Obviously, it's desirable most definitely, but I think the internal sewer flooding. Excuse me, I think that would be the priority over the rainwater for me, anyway."

Urban/Suburban

"Properties come off the register and the problem's fixed. But it's saying that properties are added every year as new problems are found, and with climate change and everything, it makes sense that bills will go up, because this is a big thing, it's not something that's just going to go away"

Urban/Suburban

"Whereas we're losing, you know, 462 megalitres a day versus maybe only 50 more houses per year getting added maybe, it's like, obviously, yes, it's a terrible situation for those houses. But the rest of the millions that aren't affected. So, it's not as big a priority for me for investment for that area."

Future

"You've got to do something about the possibility of faeces coming back up into people's homes. That's got to be priority. It's I mean, obviously that's the most catastrophic instance. But it's you know, also the damage to people's homes."

Rural/Remote

"The danger is, we spend all the money on fixing 400 houses, and then we don't do anything else."

Rural/Remote

"If we had a consistent problem, or a recurring problem along these lines that could lead to tenants leaving the site which is a financial impact for them, and then a massive financial impact for us. And then, if we are then looking to try and get someone else into that empty space we have to give references from previous tenants as well. So it would be a pretty dire, revolving cycle of negativity. So yeah, that would be quite important for us as a business."

NHH

6.4 Repairing and Replacing Assets

Impact of additional information: Additional details regarding the scale of the problem associated with inherited pipes from the 1970s (with 10% of pipes potentially interrupting supply) helped clarify this specific challenge. Participants were informed that these pipes were made from a material now considered unsuitable. While the information provided helped explain the issue, customers remain uncertain about the overall benefit of prioritising the replacement of these 1970s pipes.

Figure 11: Repairing and replacing assets

- The ongoing programme of general repair and replacement of assets is seen as a high priority, and customers recognise from the previous stage of research the extent of the challenge here. This is increased by the additional information about the size of the network, which is surprising for some.

- The challenges around decisions to be made regarding repair vs replacement and how to prioritise these are appreciated by customers, although most see replacement as a priority over repair.

Some reassurance is sought around confidence in replacement materials and insurance against recurring issues in 50 plus years' time. Customers are concerned that materials used a few decades ago are now failing quicker than expected and questions were asked about the materials used and whether these pipes may have a shorter lifespan than older parts of the network that are up to 100 years old.

- There are some concerns about prioritising the 1970s pipes if they only represent 10% of the network and are described as having smaller leaks. However, repeated supply interruptions are felt to be unacceptable, especially to NHH customers who see this as potentially very disruptive.

- Customers sometimes consider references to legacy systems and inherited problems as an excuse for lack of previous investment and this can cause resentment that they are now being faced with paying the price for this.

"It would just seem to make sense rather than instituting new programs with new pipes, for example, to connect to areas in the west of Scotland while there's all this ageing equipment. So I think that is, yeah. It seems to be from what I've see that this I would think is a priority."

Urban/Suburban

"I was thinking it's shocking, that our ancestors chose something so poor that down the line it needs to be replaced, because every time when you hear something about sewers it tends to be London, and they tend to talk about Victorian sewers. So I was expecting these to be like Victorian pipelines that we're repairing, not something from 50 years ago"

Urban/Suburban

"For my business. Obviously, if you got livestock in the sheds, if you've got repeated interruptions, it'd be catastrophic, you know to the animals. They drink an awful lot of water. If it became a regular thing we'd have to possibly look at sinking a borehole, and looking at different options for supplying the water."

NHH

"I see this as personally incredibly important, because I don't really understand the point in putting all the money and resources into fixing something if it's just continually over time gonna keep breaking. I feel like it'd be better focusing time and energy on replacing things."

Future

"If in 1970, some pipes were installed and at that time technology was not that good, so what you installed is gonna be expired, I think technology nowadays is that much improved. If we will install new pipes, it might take more than a hundred years to be affected again. To continuously supply the clean water is a necessity so if we can do anything which is humanly possible to accommodate this improvement, I totally agree that we need to do it."

NHH

"What's the impact now and then? Well, what's the impact further down the line? Do, the consequences become much more dire if we don't address it. And then are we looking health and safety aspects being a real sort of concern like with the sewers."

Rural/Remote

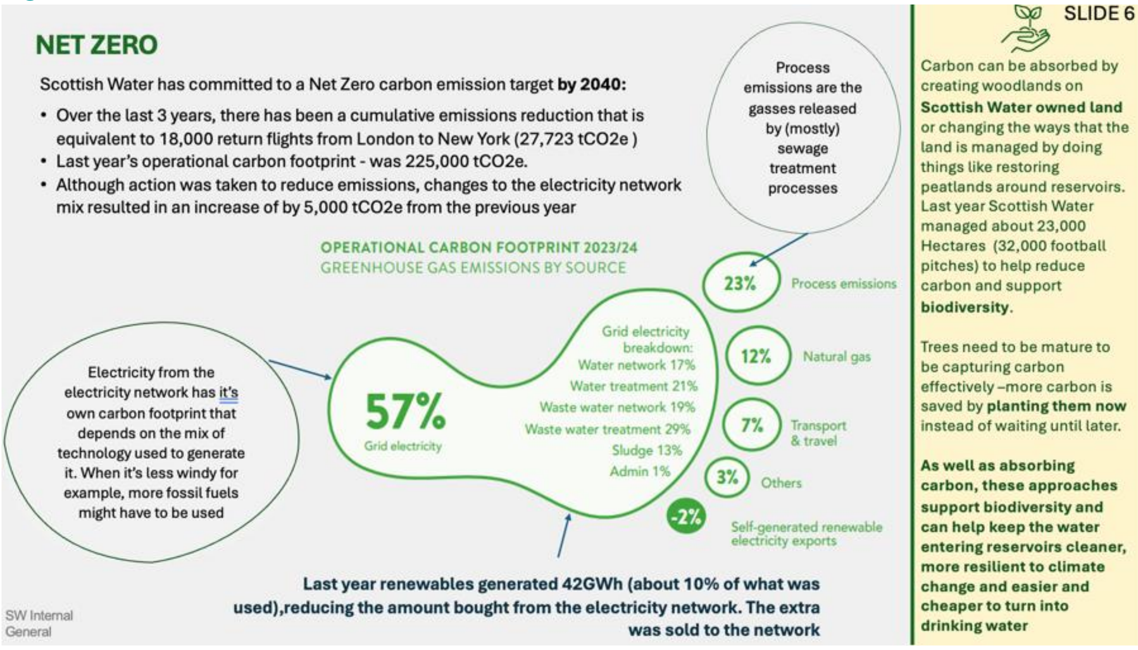
"So 10% of what all those people in the seventies have put their money into has actually not worked. And now we're coming back saying, 'Oh, actually, we need more money to fix these things'. What I'm saying is, we all collectively turn around and say 'let's go for it. We're all willing to have our bills go up. XYZ.' What's to stop in 30 years, someone say, 'Oh, actually 10% of that didn't work. So we're coming back.'"

NHH

6.5 Net Zero Carbon Emissions

Impact of additional information: The detailed information regarding Scottish Water's net zero commitments, the breakdown of current carbon emissions, and the proposed activities to meet the target helped participants gain a clearer understanding of the current situation.

Figure 12: Net Zero



- Regardless of their acceptance of the wider need to lower carbon emissions customers tended to feel uncertain about the need for investment in this area as a priority, on the basis it feels less pressing than some of the other challenges discussed and a sense that the 2040 target is unrealistic.
- The timescale is felt to be unrealistic due to being only partially under SW's control. Customers feel there would need to be certain commitments or activities on behalf of the Scottish Government, the electricity network and perhaps other agencies to ensure this happens.
- There is also some emerging fatigue around a perception of target setting for the sake of it, and a sense that businesses are being pressured to do this and then having to move their target dates back.
- There was more support from some future customers and those with a more environmental outlook, who see the wider aim of addressing climate change as a priority and are wary about society in general not moving forward quick enough in this area.
- The suggested activities outlined by Scottish Water are welcomed and partnership with other agencies (forestry commission, charities etc.) is suggested.
- However, some doubted the effectiveness of creating woodlands and land management in achieving the 2040 goal, as they feel this would take longer. And some customers across groups felt that even if Scottish Water achieve their goal this is a small proportion of what needs to happen worldwide in order to address the wider issue of carbon emissions.
- Some asked how much of investment expenditure would be spent on technology and innovation to help reduce carbon emissions from Scottish Water's processes, as this is felt to be a positive move.

"Net zero has been, around as a target for quite a while. But all those projects, and you know the offset projects from the projects. They'll all have their own challenges and issues and overspends, and I don't think it's achievable."

Urban/Suburban

"Net zero is really important. I mean, part of the reason that the current water system is having so many issues is because of climate change, and it's only going to get worse unless you know net zero is achieved. So I think it is something, you know, to prioritise"

Urban/Suburban

"They're obviously all very important, but if my choice was to pick I just feel it's not something that Scottish water can do on their own. There needs to be an accountability, not just from Scottish water, but from these organisations as well, and the priority for Scottish water is to make sure that our homes and businesses are not flooded."

NHH

"It's pretty standard stuff but what percentage of our bills are going towards this. That's the key thing."

Rural/remote

"It'd be nice to kind of give an idea of what percentage they've already put into their tree planting. If you look at that brew dog company, it basically turned out that they weren't actually planting them in the way that they advertised. They were basically waiting for some sort of government subsidy to plant them. This just seems very vague on detail."

Urban/Suburban

"I think right now, net zero should not come into the main priorities of what we're facing. I think when we have a grip on the problems we are already facing, for example, leakage, pollution, population and the floods, etc., then we can come to net zero as a priority."

NHH

"Do we have the grid support for that? Everything's relying on electricity. Do we currently have a grid support that's going to, you know, carry the whole country. I think 2 things there: one is it actually possible? And how much difference is it going to make in the grand scheme of things?"

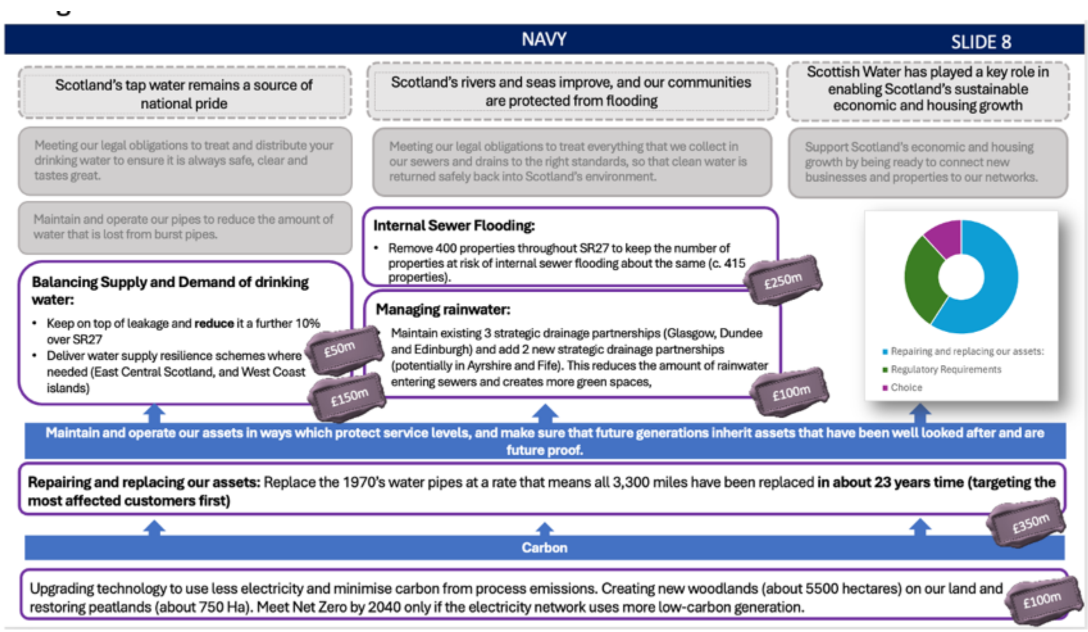
Future

7 Response to Rebalanced High Level Investment Scenario

7.1 In-session responses to Scenario Navy

A high-level investment scenario (referred to as 'Navy') was presented as a rebalanced set of funding considerations that had been developed as a response to previous customer feedback on the prioritised choice areas and the overall acceptability of a CPI+ 4% charge increase. It was explained that the choice areas represent around 10% of the potential investment spend available to Scottish Water and this helped participants to understand the overall cost of the scenario and the amount of spend on mandatory elements.

Figure 5: High level investment scenario 'Navy'



Participants expressed surprise at the overall budget required to fund this scenario, noting that the non-mandatory spend areas accounted for only a small proportion of the available investment budget. They were also reassured to see that a significant portion of the investment budget is allocated to the programme for repairing and replacing assets. Given the additional information provided on the choice areas and their relative costs, Scenario Navy was generally perceived as well-balanced, with clearly defined outcomes. However, some participants suggested that re-prioritization between certain areas could be considered.

- Reponses to the individual elements of the scenario were as follows:
  - The presence of a downward target of 10% for leakage is appreciated, although customers feel this could be improved.
  - The need to include water resilience schemes is accepted, although there are some queries on how the areas are prioritised and whether these are the greatest areas of need
  - The inclusion of technology upgrades to reduce carbon emissions are seen as important in addition to the other activities mentioned previously
  - The spend on internal sewer flooding of £250m feels disproportionately high for a relatively small number of priorities
  - Scottish Water working in partnerships to manage rainwater is supported, although the focus here feels too biased towards the central belt for some customers based in other areas of Scotland
  - This scenario would place Scottish Water on track to replace the 1970s pipes in 23 years and this feels quite a long time for most customers. However, it is not seen as one of the highest priority areas due to the perceived range of impact.

7.2 Re-allocation of spend across investment areas

Participants were presented with information on the likely impact of spending £50 million more or less in each investment area. They were then invited to give their high-level thoughts on whether there were significant areas of spend that required re-focusing. Customers generally felt that the scenario could remain as is. However, where changes were suggested these related to reallocating funds from areas such as reducing the risk of internal sewer flooding, replacing 1970s pipes, or achieving net zero, toward areas they perceived as having a higher impact, such as leakage management or handling rainwater.

Figure 13: Table showing approximate outcomes with +/-£50m spend in each area

Long-term Objective	Choice Area	Investment	Scenario Navy	+£50m	-£50m SLIDE 9b
Scotland's rivers and seas improve, and our communities are protected from flooding	Internal Sewer Flooding	**£250m**	Remove 400 properties over SR27 to keep the number of properties at risk of internal sewer flooding **about the same** (c. **415 properties**).	**Remove about 80 extra properties, so that the number of properties at risk of internal sewer flooding is improved to about (c. 335 properties).**	**Remove about 80 fewer properties, so that the number of properties at risk of internal sewer flooding increases to about (c. 495 properties).**
	Managing rainwater	**£100m**	Maintain existing 3 strategic drainage partnerships (Glasgow, Dundee and Edinburgh) and add 2 new strategic drainage partnerships (potentially in Ayrshire and Fife). This reduces the amount of rainwater entering sewers and creates more green spaces,	**Plus multiple smaller scale local schemes and provide small 'blue-green' community fund for localised initiatives.**	**Maintain existing 3 strategic drainage partnerships and add a new partnership in only one area.**
Scotland's tap water remains a source of national pride	Balancing Supply and Demand of drinking water	**£50m**	Keep on top of leakage and **reduce** it a further 10% over SR27	**Reduce leakage by an extra 10% over SR27**	**Leakage stays about the same over SR27**
		£150m	Deliver water supply resilience schemes where needed (East Central Scotland, and West Coast islands), **reducing the drought risk** in these areas (about half the population of Scotland). Investment would have to increase after 2033 to ensure that the need for water is met by 2050. In the meantime, customers in these areas might be affected by water supply issues in times of dry weather.	**Deliver larger schemes in the same areas. Investing at this pace removes the drought risk by 2050 for customers in these locations.**	**Deliver smaller schemes in the same areas. Investment would have to increase after 2033 to ensure that the need for water is met by 2050. In the meantime customers in these areas might be affected by water supply issues in times of dry weather.**
Maintain and operate our assets in ways which	Repairing and replacing our assets	**£350m**	Replace the 1970's water pipes at a rate that means all 3,300 miles have been replaced **in about 23 year's time (targeting the most affected customers first)**	**Pipes are replaced about three years sooner**	**Pipes are replaced about three years later**
Net Zero Emissions	Operational emissions	**£100m**	Upgrading technology to use less electricity and minimise carbon from process emissions. Creating new woodlands (about 5500 hectares) on our land and restoring peatlands (about 750 Ha). Meet Net Zero by 2040 **only if** the electricity network uses more low-carbon generation.	**Plus renewables and further woodlands, which will help to accommodate the uncertainty of the electricity network mix over the next 15 years to be more likely of meeting Net Zero by 2040**	**A reduced programme of technology upgrades. Creating new woodlands (about 5500 hectares) on our land and restoring peatlands (about 750 Ha). Fail to meet Net Zero by 2040.**

- **Considerations for SR27:** Any communication aimed at uninformed customers regarding the balance of spend in each area will require careful wording, particularly in the following areas. For internal sewer flooding, the focus may need to shift from the number of affected houses to the ongoing management of the risk. Communication around replacing the 1970s pipes should emphasize the necessity of these investments to prevent future issues. Additionally, messaging regarding funding for net zero could highlight the inclusion of technology and innovation, such as woodlands and land management, while emphasizing the broader environmental and community benefits.

"So I would maybe take away from internal sewer flooding and put it into reducing leakage, and I would extend the repair and replacing by 3 years. I would take away from repairing and replacing, and I would put it into net 0."
Urban/Suburban

"I also like, you know, when it says for managing the rainwater, and it's saying about 100 million, I think that's a good number, and also the carbon as well, because you're working with other partnerships who can also help with the cost of reducing things in the long term. So I think those 2 are correct in terms of the cost. For me it seems about right."
NHH

"I'm only looking at it from a selfish perspective, because you mentioned Central and East. So say I'm now in favour of moving water from the West over to me, just for selfish reasons. But I was just trying to think. I mean, if you can reduce leakage by an extra 10%. Isn't that better? That's more tangible, surely, than net zero emissions and also replacing those 10% of water pipes."
Rural/remote

"I think for me, navy feels pretty good, actually, because in relation to balancing the supply and demand and thinking about that in relation to the leakage they're proposing that in actual fact, that 20% that they previously are achieving, they will actually reduce that even more. So that's a good thing. That's an improvement. And as a customer I want to see improvement, and I want to see drinking water not wasted."
Edinburgh

"I think it looks like a really balanced option where they're targeting those 3 major choice areas, but not one more than the other. It seems like they want to tackle all of those 3 major points. But meanwhile so that everything gets a bit more of attention it's not leaning towards anything in particular, or that's at least what I get from that."
Rural/remote

"I feel conflicted about possibly reducing money from the internal sewer flooding, because as much as that could be like under 1% of the population, for those 1%, life would be incredibly difficult. Possibly not living in their homes, moving out of homes and as much as it's 1%. I feel like you have to consider managing it. And thinking of the future at the same time unfortunately, I feel like I would like to see more money invested into the repairing and replacement of assets as well."
Future

7.3 Post-group reflections on scenario Navy

After the group session, in the homework task participants were asked whether they had any additional thoughts on scenario Navy. Their comments reflected what had been said in the group discussions.

Those who provided comments focused on:

- Support for scenario Navy as the best, most balanced option and an improvement from previous scenarios
- Reducing investment for certain areas, primarily internal sewer flooding, which was felt to receive disproportionately high funding for a problem which affects a small minority of customers
- The need for funding repair and replacement of assets to reduce leakage
- Requirement to manage rainwater and prevent drought, especially in light of climate change
- Mixed views between support for reducing carbon emissions and reducing funding for this area of the scenario (which was seen by these participants as a lower priority concern)
- Discussing tree planting plans, both positively and negatively, in terms of their potential effectiveness
- Concerns over the timeline for the repair and replacement of assets, albeit with an understanding of the financial reasons for this timeline.

"Much improved from the previous offers suggested. Tangible improvements in key areas are now considered"
Rural/remote

"I was greatly encouraged by, generally agree with and commend Scottish Water on the rebalanced scenario 'navy'. Effectively addresses the key aspects and good that Scottish Water have an ambitious plan that is also realistic and pragmatic. Only part I would change would be shifting some of the focus/cost of the 'carbon' part to other (and in my view more pressing priorities) such as repairing and replacing assets, reducing leaks"
Urban/Suburban

"Climate change is already reducing the available water supply in Scotland and therefore it is critical that steps are taken to reduce leakage and avoid drought."
Urban/Suburban

"I think the focus on carbon reduction is positive and important. The benefits should be clearly articulated, showing how this investment in turn supports other delivery areas."
Urban/Suburban

"Repairing and replacing assets should be a main priority. A number of customers, myself included, still have lead pipes."
Urban/Suburban

"A quarter of the budget is being spent on internal flooding which only affect 0.1% of customers whereas leakages affect all customers."
Future

"I believe less money could be allocated to the Internal Sewer Flooding and invested into other areas like Carbon emissions or repairing assets"
Future

When asked in the post-task, most participants agree that Scottish Water listened to their feedback from the original research when designing scenario Navy. The average score given (scored on scale from 1 = strongly disagree to 10 = strongly agree) was 8/10.

- Reasons for the higher scores included:
  - The scenario reflected feedback they had provided in initial research
  - It provides a more balanced, pragmatic scenario
  - Greater ambition is outlined here
  - Appreciation of the ability to participate in the research
  - The transparency of the research and depth of information provided
  - General support for scenario Navy, including perceptions of increased benefits for more people
  - The improved cost of this scenario
  - This scenario is more likely to meet the challenges posed by climate change
  - The inclusion of new options that were mentioned in the previous research

- The minority who provided lower scores mentioned:
  - Concern over whether Scottish Water would ultimately pay attention to feedback
  - Limitations on what Scottish Water can afford

"The navy plan is clearly based on what I heard people say and personally concluded from the session. The focus feels better aligned with what the people want"
Future

"I feel we were given great opportunity to discuss the revised scenario and explore all of its aspects."
Urban/Suburban

"It's impossible to get the balance right but I feel this plan looks at everyone's needs and costs"

NHH

"The most up to date scenario has directly taken on board the questions and feedback received"

Rural/remote

"It seemed to take into account that people thought it was worth spending the money now in order to keep standards high, while also recognising that the most spendy initial option presented was a bit too optimistic. It feels like the one people would have chosen pretty much unanimously had it been presented at the initial session."

Urban/Suburban

"The rebalanced scenario had more ambitious goals"

Urban/Suburban

"They came back with clarifications and a rebalanced model which was exactly what we asked for"

Rural/remote

"Although Scottish Water reps were present, the decisions would likely be based on what's economical, rather than what we want"

Urban/Suburban

8 Responses to Bill Impact Trajectories

8.1 Cost Scenarios

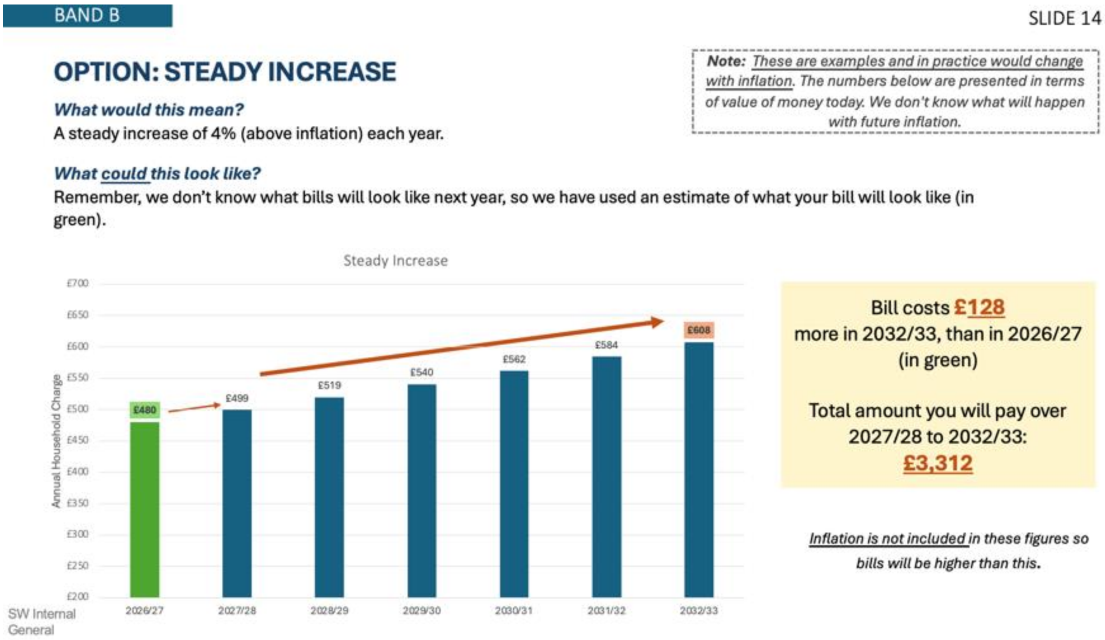
Participants who are household bill payers, as well as future customers, were shown the current range of water bills across council tax bands. These figures included the most recent bill rises from April 2025. Each household bill payer was then provided with an approximation of their personalised bill impact trajectory, alongside example trajectories from Council Tax Band B, so that they could see a more realistic example based on their own situation. Future customers were shown examples from Council Tax Band B (as the band covering the highest number of households), as well as an illustration of the range across all bands. Business participants were shown approximate bill impacts based on their annual spend.

Before discussing these bill impact scenarios, participants were reminded that inflation would be applied to the bills, with the level of inflation over the SR27 period being unpredictable. For context, it is important to note that the recent rise in water bills and overall council tax in April 2025 has generated some surprise and resentment, with concerns about future increases of this nature.

Participants were then shown two bill impact trajectories prepared by the Scottish Water team: one featuring a steady increase of CPI+4% annually over the SR27 period, and the other involving a front-loaded increase of CPI+11% in the first year, followed by CPI+1.47% in subsequent years. The order in which these trajectories was shown was rotated across the groups to avoid rotational bias.

8.2 Response to steady increase in bills

Figure 14: Approximated steady increase bill trajectory illustration based on Council Tax band B



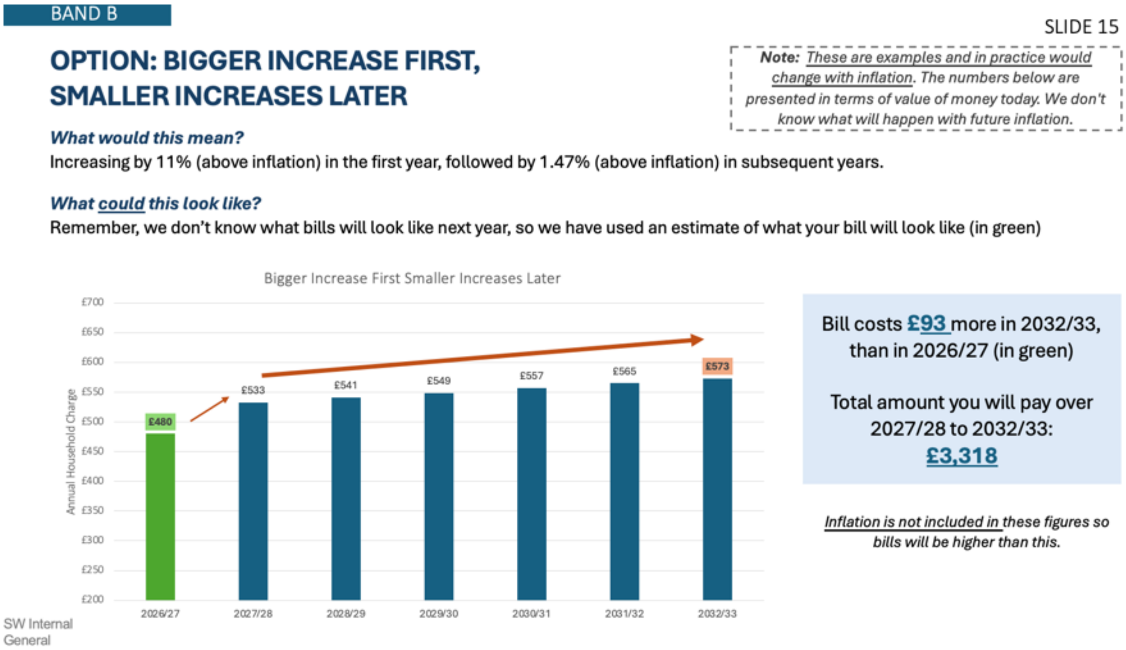
- The steady increase option was seen by participants as an acceptable way to introduce bill rises if they must happen. There are several reasons for this:

  - Salary and/or income is only expected to rise gradually, if at all, over the period.
  - Other bills will also increase in this period and inflation will be on top.
  - Smaller increases are easier to budget for.
  - The economic climate still feels uncertain.
  - This is appreciated as a contrast to recent increases in council tax and energy bills, that have often been unexpectedly high

- Considerations for SR27: The acceptability of these increases is based on recognition that the work must be done and is dependent on trust that SW would deliver on the outcomes promised by Navy scenario. There is uncertainty around potential increases and associated benefits in relation to other household/business bills (such as energy, insurance, broadband, etc) and these customers appreciate being made aware of the tangible outcomes/benefits in their water service related to increases.

8.3 Response to front-loaded increase in bills

Figure 15: Approximated front-loaded bill impact trajectory illustration based on Council Tax band B



- There was overall acceptance of the rationale behind this trajectory, with some participants immediately recognising that earlier investment could lead to cheaper materials, better deals from suppliers, and a faster start to improvements, and others understanding this once explained. However, there were also questions regarding what additional benefits would be achieved by this pattern of increases compared to the outcomes outlined in the Navy scenario. Participants generally assumed that these outcomes could be achieved with a steady increase in investment.

- Overall, this scenario is felt to be a 'hard sell' for SW for the following reasons:

  - Participants recognised that they are informed customers who have discussed the challenges and need for bill increases in detail. They felt that most (uninformed) customers are unaware of the detailed challenges and the need to invest large amounts to address them.
  - Softening a sudden higher rise in price with smaller increases to come does not change the impact at the time of increase.
  - Some HH and NHH participants felt they would genuinely find the initial increase hard to afford and they assumed other customers would be in a similar situation.
  - Others were concerned that the subsequent increases would not be as small as predicted. They were reassured at the time that this would not be the case due to the regulated nature of the industry.

Some NHH and HH bill payers with fewer financial challenges and some Future bill payers who felt the amounts involved did not feel too high felt that this option was appealing due to the ability to start making improvements faster. They compared it to 'pulling off the plaster', suggesting that Scottish Water may as well get the initial pain of increases over and get on with what needs doing.

Considerations for SR27: The context of recent bill increases and a lack of trust/understanding that year 2-6 rises would be fixed could cause significant communication challenges around this option.

"It goes back to the question about the communication and how it's absorbed. I think it wouldn't go well. So that's why I think the steady increase is a better option."
Urban/Suburban

"I tend to think let's just get it over with and pull the plaster off, but I understand that not everyone is in the position to absorb a higher increase in that first year"
Urban/Suburban

"I agree with the higher increase first but obviously, they'll be questions, like, I would be questioning as well if I didn't have this meeting. I wouldn't know where the money was going at all. But I think it's important to get the information out there, so people know where it's going, and there wouldn't be as much backlash."
Future

"If we went for the higher increase first what would we actually get? What would happen quicker and would we see the outcome of that initial increase in progress?"
Urban/Suburban

"Yeah, I think from my perspective, the second option is probably better for 2 reasons, The initial cost would allow things to happen quicker, and as a business if we're negotiating contracts with someone. If there's a larger increase initially, then we can just level that cost off. So we know that there's a slight increase and then just level it. Say, someone signs a 10 year lease with us. Then I know there's going to be a larger increase at the start. But what we could do is just average that across."
NHH

"It's all in isolation. When we talk about all the problems Scottish water are facing, and as a result, the consumers of it, we want things done as quickly as possible. But then you've got to put it into context: the broader picture that there's issues outside of Scottish water that we're all having to contribute to as well. So yeah, you know as much as things need to get done as quickly as possible, it's just not feasible to do the higher increase first option. I don't think."
Rural/remote

8.4 Qualitative Trajectory Comparison

Preferences vary between those who find a steady increase acceptable and those who support the concept of significant investment earlier on in the planning period. In the discussion groups, more participants stated a preference toward the steady increase, whereas in the post-task, when people had had more time to reflect and perhaps consider their own views on affordability, preferences between the two trajectories were balanced with around half preferring each.

- Reasons for preferring the steady increase reflected comments made in the sessions:
  - Perceived as more affordable and easier to plan for, especially for smaller businesses, families and financially vulnerable customers
  - Fear of the financial impact of the bigger increase in the alternative option, especially in the context of other bill increases and with the perception that wages/income will not rise
  - Slightly cheaper in the long term (i.e. over the six year period of SR27)
  - Uncertainty as to how the bigger increase upfront would benefit Scottish Water.

"I don't think I can afford another substantial bill hike at this current time and I worry enough about putting food on the table I'm scared I will no longer be able to afford to live"
Urban/Suburban

"With the cost of living going up all the time and the cost of utilities on the up rise a steady increase would certainly be better for me and my business"
NHH

"The global financial situation has changed since we last spoke and that will potentially have affected people's savings - therefore option A is really the only sensible way forward out of the two options"
Rural/remote

"This option allows families to budget better and a steady increase is an accepted feature of life today. I think the sharp increase may shed poor publicity on Scottish water."
Urban/Suburban

- Although around half of those completing the post-group exercise favoured a bigger increase first, some of these participants did note that the initial increase may be unpopular and unaffordable for some Scottish Water customers, particularly given the economic climate. Reasons given for selecting the bigger increase first, smaller increases later option included:
  - Perceived as a 'short term pain for long term gain' as Scottish Water would be able to make a faster start on improvements, for example through purchasing materials upfront for repairs
  - The cost is similar to the alternative option in the long run
  - Smaller cost increases after the first year.

"Personally I prefer option B as it means more can be done sooner by SW (in theory assuming resources are available to complete the works) however given the current circus the British economy has become I think that option A would be preferable to the majority of the public"

Urban/Suburban

"Option B as this gives Scottish Water an instant influx of capital they can utilise on materials and also wages now to get the repairs done ASAP before labour and materials increase again"

Future

"Scottish Water needs the money to start the extensive work! I understand. And the bill jump is not too outrageous."

NHH

"Get the large increase over with - smaller increases later won't feel as bad"

Urban/Suburban

"I've thought more about this, and actually have changed my mind to Option B. While it would be something to absorb that first year, the end amount is less, which is important as we go on after this"

Urban/Suburban

- Considerations for SR27: Once participants understood and reflected on the reasoning behind a larger initial increase, there was greater willingness to select this option due to the perceived beneficial outcomes. However, this willingness varied depending on the participant's financial situation, and it was acknowledged that such an approach might be widely unpopular if implemented. Given recent price increases and associated trust issues, communication could be particularly challenging. In practice, customers tend to focus on a single year's increase, rather than considering whether it results from previous or future smaller increases.

9 Insights from the Post-group Exercise

The post-group homework exercise was carried out to gather participants' key insights from the sessions and explore views on what Scottish Water need to convey to the wider public about their business plan. Forty eight out of fifty four participants (89%) who attended the online groups completed the post-group exercise.

- The responses to 'What are three key insights or takeaways you remember from the most recent research session you participated in?', ranked in order of how commonly they occurred, included:

  - The concept of the bill trajectories and the choice between steady increases or frontloading bill rises
  - Support for scenario Navy and their feedback being considered in its design
  - Scottish Water's environmental plans, including net zero and tree planting
  - The choices Scottish Water must make between areas in need of investment
  - The need for bill rises to fund necessary work and maintain good service
  - The resilience of supply in times of drought and Scottish Water's plans to boost this
  - Greater understanding of the issue of internal sewer flooding
  - Understanding the challenge of repairing and replacing assets
  - Increased awareness of the extent of work and cost involved in providing water/wastewater services
  - The challenges faced by Scottish Water
  - Support for Scottish Water engaging customers and caring about their views
  - Timescales for the proposed plans
  - The level of leakage.

"I hadn't considered that if bills were to rise suddenly in one year and then more gradually in following years, then this could mean cheaper overall construction and project costs."

Urban/Suburban

"It was good to see the budgeted plans for each segment and an explanation as to what that money will be able to provide."

Rural/remote

"Further insight into pipe bursts in homes - it's different houses rather than the same homes over and over"

Urban/Suburban

"That Scottish Water really listened to everyone's feedback from the previous session and came prepared with a new business plan that encapsulated all of our views and points."

Future

"The overall cost seemed so high so I came back with a deeper understanding why not all choices could be done."
Rural/remote

- Reponses to 'What do you think is the most important information for Scottish Water to get across to the wider public about their future business plan?' included:
  - How billpayers' money is spent.
  - Why bill rises are necessary.
  - The impact on bills.
  - The extent of challenges faced by Scottish Water.
  - Benefits of Scottish Water's proposed investments and the disadvantages of not investing.
  - Benefits of the investment: for example, preserving quality of water in Scotland, addressing internal sewer flooding and repair of assets.
  - The scale of work done by Scottish Water.
  - Public education, for example on water consumption.
  - The non-profit status of Scottish Water.
  - The timelines for improvements.
  - Regular updates on Scottish Water's progress.

"To highlight the scale of what Scottish Water does, how we all benefit from and depend on this, if we want to continue to enjoy the best quality water we need to invest in it."
Urban/Suburban

"That rising water charges are unavoidable to ensure good service."
Urban/Suburban

"The reasoning for cost rises, really help people understand that neglecting this will cost us all more in the long term if left untreated"
NHH
"That these are very necessary improvements to the infrastructure that will save the taxpayer money long-term and also improve the service."
Urban/Suburban

"I believe full transparency is so important. Having been on the research I gained information and insight that reshaped my views of SW and made me appreciate the efforts they are putting in."
Future

10 Overall Summary

10.1 Summary of findings

- Their involvement in the previous stage of research and the additional information presented here has deepened these customers' understanding of the need for investment and the challenges around the non-mandatory areas of spend.
- The relative spend of mandatory vs non-mandatory elements helped to illustrate the size of the job to be done and to manage expectations around the potential size of available funding for the choice areas.
- The Navy scenario presented was felt to reflect previous feedback around customer priorities and the need for clearer outcomes.
- Having explored the choice areas in more detail participants do not have strong challenges to the balance of spend across areas of non-mandatory spend here.
- When presented with the opportunity to reprioritise areas of spend, customers tended to keep the scenario presented as it is, or they suggest diverting some money to those choice areas likely to impact more customers: primarily taking some investment from Net Zero and/or Internal Sewer Flooding into Leakage and Managing Rainwater.

While participants understood the rationale behind higher increases earlier in the period and many of these informed customers saw this as the best option in theory, it is felt that even they, and certainly other less informed customers, would need to be convinced of the specific outcomes of this approach. Participants still anticipate negative reactions to a significant rise in bills, even if these increases are only for the first year.

- Most customers tend to focus on increases one year at a time, so a steady increase in bills feels potentially easier to manage and more realistic in terms of affordability.

10.2 Considerations for SR27 business plan development and future customer research

- This research and previous customer engagement has told us that any communication to uninformed customers around the balance of spend in each area will require careful wording.
- Considerations for communication should include:
  - Reassurance around what is included in the 'Business As Usual' and Mandatory areas of spend parts of the plan
  - The nature and size of the challenge and relative size of investment
  - Why the problem/challenge occurs

- The impact of not addressing it and why it is likely to get worse in future
- What improvements have been made in the past and how they have been achieved
- Specifically what actions need to be funded to make improvements in the future
- The specific impact/benefits of funding

- For internal sewer flooding communication may need to focus on keeping on top of the threat rather than the number of houses, as well as any preventative benefits to the wider local area.

- Emphasis around replacing the 1970s pipes should explain that they must be replaced, to avoid future issues, alongside any evidence of newer materials being more effective.

- Funding to reduce carbon emissions could ensure that technology and innovation are included with woodlands and land management and that the wider benefits of these are emphasised, with less of a focus on the net zero by 2040 target.

- Partnerships to manage rainwater could be explained more fully (i.e. not just Local Authorities but planners, developers, communities etc).

- The acceptability of bill increases is based on recognition by these participants that the work must be done and is dependent on trust that SW would deliver on the outcomes promised by Navy scenario. There is uncertainty around potential increases and associated benefits in relation to other household/business bills (such as energy, insurance, broadband, etc) and these customers appreciate being made aware of the tangible outcomes/benefits in their water service related to increases.

- Once participants in this research understood and reflected upon the reasoning behind a bigger initial increase, there was more of a willingness to choose this option due to the perceived beneficial outcomes. However, this is dependent on a participant's financial situation and with the caveat that it may be widely unpopular if implemented.

- In the context of recent increases and some related trust issues, communication could be especially challenging. Customers tend to focus on a one year increase rather than whether this is a result of previous or future smaller increases, as was witnessed at the time of this research.

APPENDICES

Appendix A

Pre-Task Questionnaire

3683: SR27
Reconvened Bill Profiles: Pre-Survey

PROJECT MANAGER: Click here for guidance on what to put in this section
Please tick methodology, and where applicable nominate "back checking questions" (AKA "BCQs"). These must include the demographic questions.

Online only
CATI only (DP: add QAX)
CAPI/Tablet (If yes PM Nominate 3*Backchecking Questions:)QAZ2 Paper showcard? Y N
CATI recruit for online/field (PM pls. Nominate BCQs:)QAZ3
Field recruit for online/CATI (PM pls. Nominate BCQs:)QAZ1
Recruit only (ie for qual)

Scottish Water Research

Thank you very much for your ongoing participation in our research for Scottish Water. This questionnaire will take about 5 minutes to complete and we will provide you with a £5 incentive to thank you for your time.

Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society. If you would like to confirm Accent's credentials type Accent in the search box at: https://www.mrs.org.uk/researchbuyersguide.

IF MOBILE DEVICE SHOW: **This survey is best undertaken on a tablet or a PC. If you do use a smartphone you can switch between desktop mode and mobile mode at any time by clicking the button at the bottom of the screen.**

Q1. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at https://www.accent-mr.com/privacy-policy/.

Please do not include names, addresses, or other personal data in your responses to any questions, unless asked to do so.

Do you agree to proceeding with the interview on this basis?

Yes
No **THANK AND CLOSE**

Q2. What are three key insights or takeaways you remember from the research you participated in?

DP ADD THREE OPEN TEXT BOXES

Q3. Have you had any additional thoughts on the information shared during the research about Scottish Water's challenges?

DP ADD OPEN TEXT BOX

Q4. Have you had any further thoughts on the information provided about Scottish Water's draft business plan scenarios and their cost?

DP ADD OPEN TEXT BOX

Q5. Has your view of Scottish Water and the service it provides changed since participating in the research?

Yes – in what way:
No

Q6. And have you changed the way you use or think about water or waste water since participating in the research?

Yes – in what way:
No

Q7. We mentioned that there would be a £5 incentive for completing this survey. This incentive will be administered by Accent, within 4 weeks of completion of fieldwork.

This can be sent as a Love2shop voucher by email or, alternatively, we can donate your incentive to WaterAid or The Trussell Trust. Which would you prefer?

Love2shop voucher by email **COLLECT EMAIL ADDRESS**
Donation to Water Aid
Donation to The Trussell Trust

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential. We will securely store the data given in this interview for a period of 12 months (for reference purposes) before securely destroying it.

SYSTEM INFORMATION
Time interview completed:

Appendix B

Post-task Questionnaire

Accent

3683: SR27
Reconvened Bill Profiles: Post-Survey V6

PROJECT MANAGER: Click here for guidance on what to put in this section
Please tick methodology, and where applicable nominate "back checking questions" (AKA "BCQs"). These must include the demographic questions.

Online only ☐
CATI only ☐ (DP: add QAX)
CAPI/Tablet ☐ (If yes PM Nominate 3*Backchecking Questions:)QAZ2 Paper showcard? Y☐ N☐
CATI recruit for online/field ☐ (PM pls. Nominate BCQs:)QAZ3
Field recruit for online/CATI ☐ (PM pls. Nominate BCQs:)QAZ1
Recruit only (ie for qual) ☐

Scottish Water Research

Thank you very much for your ongoing participation in our research for Scottish Water. This questionnaire will take about 10 minutes to complete and we will provide you with a £10 incentive to thank you for your time. Please write in as much information as you can to help us understand your views, but please don't worry about spelling and grammar.

Any answer you give will be treated in confidence in accordance with the Code of Conduct of the Market Research Society. If you would like to confirm Accent's credentials type Accent in the search box at: https://www.mrs.org.uk/researchbuyersguide.

IF MOBILE DEVICE SHOW: **This survey is best undertaken on a tablet or a PC. If you do use a smartphone you can switch between desktop mode and mobile mode at any time by clicking the button at the bottom of the screen.**

Q1. Any data collected over the course of this interview that could be used to identify you, such as your name, address, or other contact details, will be held securely and will not be shared with any third party unless you give permission (or unless we are legally required to do so). Our privacy statement is available at https://www.accent-mr.com/privacy-policy/.

Please do not include names, addresses, or other personal data in your responses to any questions, unless asked to do so.

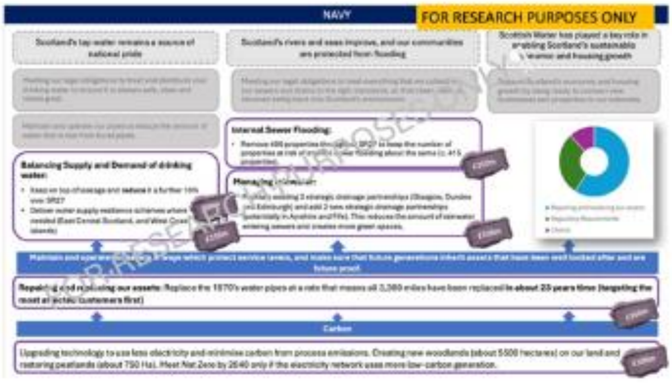
Do you agree to proceeding with the interview on this basis?

Yes
No **THANK AND CLOSE**

Q2. What are three key insights or takeaways you remember from the most recent research session you participated in?

DP ADD THREE OPEN TEXT BOXES

Q3 Have you had any additional thoughts on the rebalanced scenario we shared during the research - 'Scenario Navy'?



DP ADD OPEN TEXT BOX

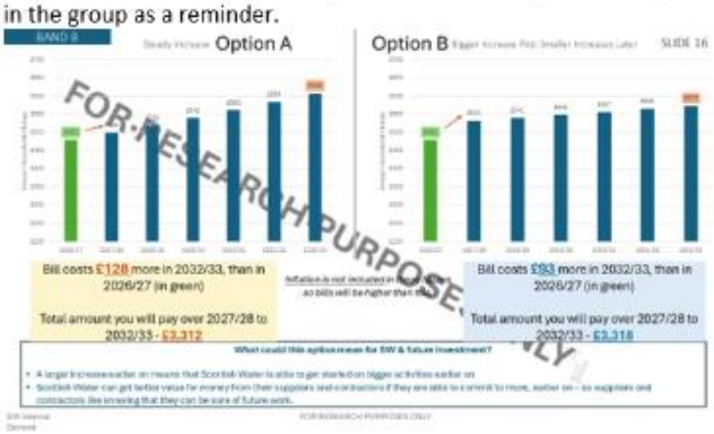
Q3b To what extent do you agree that Scottish Water has listened to the views you and others put forward in the previous session you attended to create the rebalanced scenario navy? **DP ADD SCALE OF 1 – 10 where 10 is strongly agree and 1 is strongly disagree.**

Why do you say this?

DP ADD OPEN TEXT BOX

Q4 We shared two potential charging trajectories with you (one with a steady increase, and the other that had a bigger increase first followed by smaller increases in later years).

Please have another look at the personalised bill impact we sent you. Here is an example we shared in the group as a reminder.



LABEL AS OPTION A and OPTION B

Please tell us which option you prefer
Option A or Option B

Why do you say this?

DP ADD OPEN TEXT BOX

Q5. What do you think is the most important information for Scottish Water to get across to the wider public about their future business plan?

DP ADD OPEN TEXT BOX

Q6 We mentioned that there would be a £10 incentive for completing this survey. This incentive will be administered by Accent, within 4 weeks of completion of fieldwork.

This can be sent as a Love2shop voucher by email or, alternatively, we can donate your incentive to WaterAid or The Trussell Trust. Which would you prefer?

Love2shop voucher by email **COLLECT EMAIL ADDRESS**
Donation to Water Aid
Donation to The Trussell Trust

Thank you. This research was conducted under the terms of the MRS code of conduct and is completely confidential. We will securely store the data given in this interview for a period of 12 months (for reference purposes) before securely destroying it.

SYSTEM INFORMATION
Time interview completed:

Appendix C

Topic Guides

3683 / SR27 – Reconvened: FINAL v3
Online Discussion Guide with HH customers (90 Minutes)

Introduction and Warm-Up 10 Mins (10)

- Introductions and thanks for coming back and participating in the homework task.
  - Explain that we are an independent, impartial research agency
  - No right or wrong answers and no comments are attributed to you by name
  - Keen to hear from everyone in the Zoom room
  - MRS Code of Conduct
- Explain that we are here tonight on behalf of Scottish Water who are the provider of your water (and wastewater as relevant) services and we are looking for their views and *input into* their next Business Plan.
  - During this session we want to briefly revisit some of the information we discussed before and to get your views on how things might develop further, following your input last time we met.
  - We will show some revised high level investment options but please remember that these are still not final plans and have been designed for us to build on our last discussion and explore further what is and isn't important to you.
  - We are looking for your honest opinions and please remember it's fine to agree or disagree with others in your group
- After the end of the session, we will send you a short questionnaire for you to fill in individually when you have had a day or two to reflect on the session we are having today.
- Let's go round the Zoom room and introduce ourselves
  - Name
  - Where you stay
  - Favourite drink

Brief recap on Previous sessions and SW Challenges 10 Mins (20)

- **SHOW CHALLENGES (SLIDE 1) –** In the last session we talked about the **challenges facing Scottish Water** Here is a reminder of these.
- **Reminder**: at the last session we shared some detail about what Scottish Water could do during 2027-2033 to fit with the long-term strategy and meet the challenges.
- Do you remember the **ideas we shared** regarding potential investment scenarios. We had three scenarios that were called Turquoise, Aqua and Cobalt and they represented three different levels of investment.
- Some things are required (so SW must deliver these) and some things are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is these choice areas we want to focus our discussions on now. As a reminder, here are the

- **REPEAT FOR EACH NON-MANDATORY AREA OF EXPENDITURE**
- **MODERATOR –SHOW SLIDE 7 – overview of previous scenarios**
- **Moderator to read out - Last time, you saw three scenarios which are on the screen and each of these was based on a different level of charging increase.**
- **However SW have listened to your feedback have decided to develop a further scenario based on this.They have been thinking about what the content is and what the outcomes would be, and how the charges might be structured. This is what we want to get your thoughts on next.**
- **MODERATOR – SHOW SLIDE 8 - SCENARIO NAVY AND TALK THROUGH THE SLIDE Also, just for a sense of scale, the pie chart shows how much these choice areas cost SW in grand scheme of their total investment spend.**
- **What do you think of this scenario overall**
- **Overall, what do you feel is good about this**
- **Overall, what do you feel is not good about this**
- **What would you want to change, if anything**
- **Earlier we looked at the different areas where Scottish Water can decide to invest, now you have seen the revised scenario what do you think of the balance of these areas**
- What would you change, based on your priorities
- **MODERATOR – this slide shows how much each of the areas would cost SW.**
- What do you think about the relative cost of the different areas.
- Is there anything you would change at all now you have seen the cost of the different areas. What do you think of the balance of costs and how would you change the allocation, if at all

MODERATOR - SHOW CHOICES TABLE SLIDE (9b) WITH OPTIONS IF ADDITIONAL/LESS SPEND

-MODERATOR READ OUT – this table has the same information as you saw on Navy but we have added 2 columns – one showing what you can get for spending £50m more and one for spending £50m less in the different areas

- what are your initial thoughts on this? anything that jumps out at you?

-anything that you think SW should or shouldn't do?anything that SW should spend more/less on? Probe on any trade offs here. **(note to moderator this isn't a coin exercise so we don't have a total budget or anything in mind – just looking to get high level steer from customers)**

Reviewing the evolved choice scenario and bill impact trajectories 30 Mins (85)

- **MODERATOR – SHOW SLIDE 10 OR 11 CURRENT CHARGES**
- On this slide you can see how much each household pays for their water in each council tax band so take a look at what band you are in and it should show approximately what you are paying for your water. A reminder that any discounts you receive may not be exactly these 25% or 35% as it is dependent on your circumstances – these are just examples.
- We are going to show you some potential charging impacts of the scenario we have been discussing. These are approximations of **how** your water and wastewater bills **might** increase between 2027 and 2033. Please have a look at these and try to imagine what you and your household's financial situation might be like during that period. Think about any potential changes you are expecting and think about how you feel your overall household expenses and income might change – outgoings, inflation etc.

- Obviously, a lot of these are unknown but take a few minutes to note down how you feel things might change for you and your household.

  MODERATOR SHOW AND READ OUT SLIDE 12-, EXPLAINING THAT ANY SCENARIOS THEY HAVE SEEN WERE SMOOTH AND STEADY INCREASE BUT THERE ARE DIFFERENT WAYS SW COULD STRUCTURE AN INCREASE BETWEEN 2027-2033.

  MODERATOR SHOW AND READ OUT SLIDE 13 – INFLATION. EXPLAINING THAT BEFORE WE SHOW YOU A POTENTIAL TRAJECTORY, ITS IMPORTANT TO EXPLAIN INFLATION AND THE IMPACT THAT WILL HAVE ON PRICES GOING FORWARD.
- **MODERATOR – SHOW THE FIRST BILL IMPACT TRAJECTORY SLIDE 14 & 15 (ROTATE ORDER)**
- The following slides are an approximation of the amount your bills might increase by between 2027 and 2033 if Scottish Water were to deliver investment scenario Navy.
- Please note these are just examples of what an increase might look like –as we have just seen, things like inflation are unknown – so this does NOT mean your bill will increase by exactly this amount.. When considering these potential changes to your bill, please also consider any other bill adjustments you and your household may need to manage.
- **S - SMOOTH BILL INCREASE EXAMPLE** The bill increases are spread over time; this means bills goes up each year. This slide shows how much it could go up by every year. So looking at this example box on the screen, if you were a water and wastewater customer in CT Band B with no discounts, in 2027/8 you would pay £19 more than you did the year before, and in 2028/9 you would pay £20 more etc. So that means by the time you get to 2033 you would be paying around £128 per year more than you would have paid in 2026/27.
- **AT THIS POINT EACH PARTICIPANT WILL RECEIVE A PERSONALISED TRAJECTORY TO REFLECT THEIR OWN CHANGES IN WATER and wastewater CHARGES**
- What do you think about this way of spreading the increases
- What are the advantages/disadvantages
- How reasonable does this seem to you
- Why do you say this
- **F – FRONT LOADED BILL INCREASE EXAMPLE** The bill increases are spread over time; this means bills go up each year. This slide shows how much it could go up by every year. So looking at this example box on the screen, if you were a water and wastewater customer in CT Band B with no discounts, in 2027/8 you would pay £53 more than you did the year before, and in 2028/9 you would pay £8 more etc. So that means by the time you get to 2033 you would be paying around £93 per year more than you would have paid in 2026/27
- **AT THIS POINT EACH PARTICIPANT WILL RECEIVE A PERSONALISED TRAJECTORY TO REFLECT THEIR OWN CHANGES IN WATER and wastewater CHARGES**
- What do you think about this way of spreading the increases
- What are the advantages/disadvantages
- How reasonable is this increase to you
- Why do you say this

Comparison of charges trajectories – SHOW SLIDE 16 WITH BOTH TRAJECTORIES

- We've shown you two different charging trajectories, what do you think are the benefits and disadvantages of each
- Which is your preferred and why

Summary and permissions 5 Mins (90)

- And any final thoughts on the investment areas and costs that we have discussed
- Ask verbal recontact permissions and remind of follow-up survey.
- Thank and close

3683 / SR27 – Reconvened: FINAL
Online Discussion Guide with NHH customers (90 Minutes)

Introduction and Warm-Up 10 Mins (10)

- Introductions and thanks for coming back and participating in the homework task.
  - Explain that we are an independent, impartial research agency
  - No right or wrong answers and no comments are attributed to you by name
  - Keen to hear from everyone in the Zoom room
  - MRS Code of Conduct
- Explain that we are here tonight on behalf of Scottish Water who are the provider of your water (and wastewater as relevant) services and we are looking for their views and *input into* their next Business Plan.
  - During this session we want to briefly revisit some of the information we discussed before and to get your views on how things might develop further, following your input last time we met.
  - We will show some revised high level investment options but please remember that these are still not final plans and have been designed for us to build on our last discussion and explore further what is and isn't important to you.
  - We are looking for your honest opinions and please remember it's fine to agree or disagree with others in your group
- After the end of the session, we will send you a short questionnaire for you to fill in individually when you have had a day or two to reflect on the session we are having today.
- Let's go round the Zoom room and introduce ourselves
  - Name
  - Type and size of business

Brief recap on Previous sessions and SW Challenges 10 Mins (20)

- **SHOW CHALLENGES (SLIDE 1) –** In the last session we talked about the **challenges facing Scottish Water** Here is a reminder of these.
- **Reminder**: at the last session we shared some detail about what Scottish Water could do during 2027-2033 to fit with the long-term strategy and meet the challenges.
- Do you remember the **ideas we shared** regarding potential investment scenarios. We had three scenarios that were called Turquoise, Aqua and Cobalt and they represented three different levels of investment.
- Some things are required (so SW must deliver these) and some things are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is these choice areas we want to focus our discussions on now. As a reminder, here are the choice areas you saw last time we were together. **MODERATOR – INTRODUCE SLIDE 2 CHOICE AREAS .**

Exploring non-mandatory areas of expenditure: 35Mins (55)

- We want to talk you through some of these areas in a bit more detail now…**MODERATOR – (SLIDES 3-6) INTRODUCE INFORMATION SHOWCARD WITH FIRST NON-MANDATORY SPEND AREA AND TALK THROUGH THE SLIDE (ROTATE ORDER)**
- Overall what do you think about this potential investment area? Any initial thoughts?
- Is it important is it to you and why? Anything that is unclear here or you don't understand?

- **REPEAT FOR EACH NON-MANDATORY AREA OF EXPENDITURE**
- **MODERATOR –SHOW SLIDE 7 – overview of previous scenarios**
- **Moderator to read out - Last time, you saw three scenarios which are on the screen and each of these was based on a different level of charging increase.**
- **However SW have listened to your feedback have decided to develop a further scenario based on this.They have been thinking about what the content is and what the outcomes would be, and how the charges might be structured. This is what we want to get your thoughts on next.**
- **MODERATOR – SHOW SLIDE 8 - SCENARIO NAVY AND TALK THROUGH THE SLIDE Also, just for a sense of scale, the pie chart shows how much these choice areas cost SW in grand scheme of their total investment spend.**
- **What do you think of this scenario overall**
- **Overall, what do you feel is good about this**
- **Overall, what do you feel is not good about this**
- **What would you want to change, if anything**
- **Earlier we looked at the different areas where Scottish Water can decide to invest, now you have seen the revised scenario what do you think of the balance of these areas**
- What would you change, based on your business priorities
- **MODERATOR – SHOW SLIDE 9a – CHOICE COSTS FOR SW. READ OUT: this slide shows how much each of the areas would cost SW.**
- What do you think about the relative cost of the different areas.
- Is there anything you would change at all now you have seen the cost of the different areas. What do you think of the balance of costs and how would you change the allocation, if at all

MODERATOR - SHOW CHOICES TABLE SLIDE (9b) WITH OPTIONS IF ADDITIONAL/LESS SPEND

-MODERATOR READ OUT – here is the same table but this time we have added 2 columns – one showing what you can get for spending £50m more and one for spending £50m less

- what are your initial thoughts on this? anything that jumps out at you?

-anything that you think SW should or shouldn't do?anything that SW should spend more/less on? Probe on any trade offs here. **(note to moderator this isn't a coin exercise so we don't have a total budget or anything in mind – just looking to get high level steer from customers)**

Reviewing the evolved choice scenario and bill impact trajectories 30 Mins (85)

- We are going to show you some potential charging impacts of the scenario we have been discussing. These are approximations of **how** your business's water and wastewater bills **might** increase between 2027 and 2033. Please have a look at these and try to imagine what you and your business's financial situation might be like during that period. Think about any potential changes you are expecting and think about how you feel your overall expenses and income might change – outgoings, inflation etc. Obviously, a lot of these are unknown but take a few minutes to note down how you feel things might change for you and your business.

  MODERATOR SHOW AND READ OUT SLIDE 10-, EXPLAINING THAT ANY SCENARIOS THEY HAVE SEEN WERE SMOOTH AND STEADY INCREASE BUT THERE ARE DIFFERENT WAYS SW COULD STRUCTURE AN INCREASE BETWEEN 2027-2033.

MODERATOR SHOW AND READ OUT SLIDE 11 – INFLATION. EXPLAINING THAT BEFORE WE SHOW YOU A POTENTIAL TRAJECTORY, ITS IMPORTANT TO EXPLAIN INFLATION AND THE IMPACT THAT WILL HAVE ON PRICES GOING FORWARD.

- **MODERATOR – SHOW THE FIRST BILL IMPACT TRAJECTORY SLIDE 12 & 13 (ROTATE ORDER)**
- The following slides are an approximation of the amount bills might increase by between 2027 and 2033 if Scottish Water were to deliver investment scenario Navy.
- Please note these are just examples of what an increase might look like –as we have just seen, things like inflation are unknown – so this does NOT mean your bill will increase by exactly this amount.. When considering these potential changes to your bill, please also consider any other bill adjustments you and your business may need to manage.
- **S - SMOOTH BILL INCREASE EXAMPLE** The bill increases are spread over time; this means bills goes up each year. This slide shows how much it could go up by every year. So looking at this example box on the screen, if you were a customer with a current business bill of £1000, in 2027/8 you would pay £45 more than you did the year before, and in 2028/9 you would pay £47 more etc. So that means by the time you get to 2033 you would be paying around £300 per year more than you would have paid in 2026/27.
- **AT THIS POINT EACH PARTICIPANT WILL RECEIVE A PERSONALISED TRAJECTORY TO REFLECT THEIR OWN CHANGES IN WATER and wastewater CHARGES**
- What do you think about this way of spreading the increases
- What are the advantages/disadvantages
- How reasonable does this seem to you
- Why do you say this
- **F – FRONT LOADED BILL INCREASE EXAMPLE** The bill increases are spread over time; this means bills go up each year. This slide shows how much it could go up by every year. So looking at this example box on the screen, if you were a customer with a current business bill of £1000, in 2027/8 you would pay £124 more than you did the year before, and in 2028/9 you would pay £19 more etc. So that means by the time you get to 2033 you would be paying around £219 per year more than you would have paid in 2026/27.
- **AT THIS POINT EACH PARTICIPANT WILL RECEIVE A PERSONALISED TRAJECTORY TO REFLECT THEIR OWN CHANGES IN WATER and wastewater CHARGES**
- What do you think about this way of spreading the increases
- What are the advantages/disadvantages
- How reasonable is this increase to you
- Why do you say this

Comparison of charges trajectories – SHOW SLIDE 14 WITH BOTH TRAJECTORIES

- We've shown you two different charging trajectories, what do you think are the benefits and disadvantages of each
- Which is your preferred and why

Summary and permissions 5 Mins (90)

- And any final thoughts on the investment areas and costs that we have discussed
- Ask verbal recontact permissions and remind of follow-up survey.
- Thank and close

3683 / SR27 – Reconvened:v2 Online Discussion Guide with Future customers (90 Minutes)

Introduction and Warm-Up 10 Mins (10)

- Introductions and thanks for coming back and participating in the homework task.
  - Explain that we are an independent, impartial research agency
  - No right or wrong answers and no comments are attributed to you by name
  - Keen to hear from everyone in the Zoom room
  - MRS Code of Conduct
- Explain that we are here tonight on behalf of Scottish Water who are the provider of your water (and wastewater as relevant) services and we are looking for their views and *input into* their next Business Plan.
  - During this session we want to briefly revisit some of the information we discussed before and to get your views on how things might develop further, following your input last time we met.
- We will show some revised high level investment options but please remember that these are still not final plans and have been designed for us to build on our last discussion and explore further what is and isn't important to you. We will also be sharing some bill scenarios. We know that you don't currently pay bills but it will still be really useful to have your views on these.
  - We are looking for your honest opinions and please remember it's fine to agree or disagree with others in your group
- After the end of the session, we will send you a short questionnaire for you to fill in individually when you have had a day or two to reflect on the session we are having today.
- Let's go round the Zoom room and introduce ourselves
  - Name
  - Where you stay
  - Favourite drink

Brief recap on Previous sessions and SW Challenges 10 Mins (20)

- **SHOW CHALLENGES (SLIDE 1) –** In the last session we talked about the **challenges facing Scottish Water** Here is a reminder of these.
- **Reminder**: at the last session we shared some detail about what Scottish Water could do during 2027-2033 to fit with the long-term strategy and meet the challenges.
- Do you remember the **ideas we shared** regarding potential investment scenarios. We had three scenarios that were called Turquoise, Aqua and Cobalt and they represented three different levels of investment.
- Some things are required (so SW must deliver these) and some things are choices (areas where you can help influence how far and how quickly SW might deliver in these areas). It is these choice areas we want to focus our discussions on now. As a reminder, here are the choice areas you saw last time we were together. **MODERATOR – INTRODUCE SLIDE 2 CHOICE AREAS .**

Exploring non-mandatory areas of expenditure: 45Mins (65)

- We want to talk you through some of these areas in a bit more detail now…**MODERATOR – (SLIDES 3-6) INTRODUCE INFORMATION SHOWCARD WITH FIRST NON-MANDATORY SPEND AREA AND TALK THROUGH THE SLIDE (ROTATE ORDER)**
- Overall what do you think about this potential investment area? Any initial thoughts?

- Is it important is it to you and why? Anything that is unclear here or you don't understand?
- **REPEAT FOR EACH NON-MANDATORY AREA OF EXPENDITURE**
- **MODERATOR –SHOW SLIDE 7 – overview of previous scenarios**
- **Moderator to read out - Last time, you saw three scenarios which are on the screen and each of these was based on a different level of charging increase. We know you don't pay bills now but you may do at some point during the period we are discussing.**
- **However SW have listened to your feedback have decided to develop a further scenario based on this.They have been thinking about what the content is and what the outcomes would be, and how the charges might be structured. This is what we want to get your thoughts on next.**
- **MODERATOR – SHOW SLIDE 8 - SCENARIO NAVY AND TALK THROUGH THE SLIDE Also, just for a sense of scale, the pie chart shows how much these choice areas cost SW in grand scheme of their total investment spend.**
- What do you think of this scenario overall
- Overall, what do you feel is good about this
- Overall, what do you feel is not good about this
- What would you want to change, if anything
- **Earlier we looked at the different areas where Scottish Water can decide to invest, now you have seen the revised scenario what do you think of the balance of these areas**
- What would you change, based on your priorities
- **MODERATOR – this slide shows how much each of the areas would cost SW.**
- What do you think about the relative cost of the different areas.
- Is there anything you would change at all now you have seen the cost of the different areas. What do you think of the balance of costs and how would you change the allocation, if at all

MODERATOR - SHOW CHOICES TABLE SLIDE (9b) WITH OPTIONS IF ADDITIONAL/LESS SPEND

-MODERATOR READ OUT – this table has the same information as you saw on Navy but we have added 2 columns – one showing what you can get for spending £50m more and one for spending £50m less in the different areas

- what are your initial thoughts on this? anything that jumps out at you? Think about if you were paying for your water and how you might feel about these.

-anything that you think SW should or shouldn't do? Anything that SW should spend more/less on? Probe on any trade offs here. **(note to moderator this isn't a coin exercise so we don't have a total budget or anything in mind – just looking to get high level steer from customers)**

-

Reviewing the evolved choice scenario and bill impact trajectories 20 Mins (85)

- **MODERATOR – SHOW SLIDE 10 OR 11 CURRENT CHARGES**
- On this slide you can see how much each household pays for their water in each council tax band. Obviously you don't pay bills now but this is just for reference.

We are going to show you some potential charging impacts of the scenario we have been discussing. These are approximations of **how** water and wastewater bills **might** increase between 2027 and 2033. Please have a look at these and try to imagine what your financial situation might be like during that

- period. Think about any potential changes you are expecting and think about how you feel your overall expenses and income might change – outgoings, inflation etc. Obviously, a lot of these are unknown but take a few minutes to think about how you feel things might change for you.

  MODERATOR SHOW AND READ OUT SLIDE 12-, EXPLAINING THAT IN THE PAST SESSIONS WE SHOWED SCENARIOS THAT INVOLVED A SMOOTH AND STEADY INCREASE BUT THERE ARE DIFFERENT WAYS SW COULD STRUCTURE AN INCREASE BETWEEN 2027-2033.

  MODERATOR SHOW AND READ OUT SLIDE 13 – INFLATION. EXPLAINING THAT BEFORE WE SHOW YOU A POTENTIAL TRAJECTORY, ITS IMPORTANT TO EXPLAIN INFLATION AND THE IMPACT THAT WILL HAVE ON PRICES GOING FORWARD.
- **MODERATOR – SHOW THE FIRST BILL IMPACT TRAJECTORY SLIDE 14 & 15 (ROTATE ORDER)**
- The following slides are an approximation of the amount bills might increase by between 2027 and 2033 if Scottish Water were to deliver investment scenario Navy.
- Please note these are just examples of what an increase might look like –as we have just seen, things like inflation are unknown – so this does NOT mean bills will increase by exactly this amount. When considering these potential changes please also consider any other bills you may need to manage.
- **S - SMOOTH BILL INCREASE EXAMPLE** we know you don't pay bills but we want to show you what this could look like for a Band B council tax band as this is the most common banding. We will also show you what this will look like for other bandings in a second. The bill increases are spread over time; this means bills goes up each year. This slide shows how much it could go up by every year. So looking at this example box on the screen, if you were a water and wastewater customer in CT Band B with no discounts, in 2027/8 you would pay £19 more than you did the year before, and in 2028/9 you would pay £20 more etc. So that means by the time you get to 2033 you would be paying around £128 per year more than you would have paid in 2026/27.
- What do you think about this way of spreading the increases
- What are the advantages/disadvantages - what are you thinking about when you see this? Your family? How people might feel generally?
- How do you think you would feel if you were paying bills and the increases were spread in this way.
- Why do you say this
- **MODERATOR SHOW EXAMPLES OF STEADY INCREASES ON ALL COUNCIL TAX BANDS (SLIDE 14B) Moderator read out – this is the same steady increase trajectory but across all council bands.**
- **-what are your thoughts now you have seen scale of increases for others?**
- **F – FRONT LOADED BILL INCREASE EXAMPLE SLIDE 15** The bill increases are spread over time; this means bills go up each year. This slide shows how much it could go up by every year. So looking at this example box on the screen, if you were a water and wastewater customer in CT Band B with no discounts, in 2027/8 you would pay £53 more than you did the year before,

- and in 2028/9 you would pay £8 more etc. So that means by the time you get to 2033 you would be paying around £93 per year more than you would have paid in 2026/27
- What do you think about this way of spreading the increases
- What are the advantages/disadvantages - what are you thinking about when you see this? Your family? How people might feel generally?
- How do you think you would feel if you were paying bills and the increases were spread in this way.
- Why do you say this
- **MODERATOR SHOW EXAMPLES OF FRONT LOADED INCREASES ON ALL COUNCIL TAX BANDS (SLIDE 15B) Moderator read out – this is the same larger increase at the beginning then lower increases later trajectory but across all council bands.**
- **-what are your thoughts now you have seen scale of increases for others?**

Comparison of charges trajectories – SHOW SLIDE 16 WITH BOTH TRAJECTORIES. THIS AGAIN IS FOR EXAMPLE BANDING OF B

- We've shown you two different charging trajectories, what do you think are the benefits and disadvantages of each
- Which is your preferred and why
- SHOW SLIDE 16B WITH TRAJECTORIES ACROSS ALL COUNCIL BANDS AGAIN FOR SCALE, AND PROMPT ON ANY FURTHER VIEWS.

Summary and permissions 5 Mins (90)

- And any final thoughts on the investment areas and costs that we have discussed
- Ask verbal recontact permissions and remind of follow-up survey.
- Thank and close

Appendix D

Stimulus Decks

Scottish Water
Trusted to serve Scotland

SLIDE 1

THE CHALLENGES WE FACE

Changing Climate	The changing climate is bringing extreme weather, record-breaking heatwaves, droughts, storms, and floods that have put increasing pressure on Scotland's water and wastewater systems.
Population Change	Scotland's overall population continues to grow, and there is a shift in population from west to east. The number of households has also increased, as more people are now living alone.
Ageing Assets	Many of our assets are over 100 years old – and many others were installed in the 1970s, 80s and 90's as we responded to changes in legislation. These assets have served us well, but they are coming up to an age where they need to be upgraded or replaced.

SLIDE 2

WHAT WE COULD DO OVER THE NEXT 6 YEARS TO MEET OUR LONG-TERM STRATEGY

Scotland's tap water remains a source of national pride

Scotland's rivers and seas improve, and our communities are protected from flooding

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Balancing Supply and Demand of drinking water:

- Make better use of the water resources we have by **connecting our existing systems**, giving us flexibility **to move water** to where it is most needed in times of drought.
- Reducing the **amount of water that we take** from the environment, so that more water is available in times of drought.

CHOICE

Internal Sewer Flooding

- Change the number of people living with the worry that their **home or business might be flooded by sewage** coming up through their plumbing

CHOICE

Managing rainwater

- Reduce the number of homes, businesses and communities that are affected by **rainwater overwhelming their sewers**, causing sewer floods in gardens, roads, or other community spaces.
- Work in **partnership** with others to maximise the impact of our investments and use **environmentally friendly solutions** as much as we can to **manage rainwater** better.

CHOICE

Customers can influence the rate of progress over the next 6 years

CHOICE

Maintain and operate our assets in ways which protect service levels, and make sure that future generations inherit assets that have been well looked after and are future proof.

Repairing and replacing our assets:

- **Building new or replacement assets** to withstand the rapid **effects of the climate change** – especially when the new assets are the kind that are expected to last for 60-100 years.
- **Accelerate the replacement of water pipes** laid in the 1960's and 70's made from materials that we now know will burst earlier than planned.

CHOICE

SLIDE 3

SCOTLAND'S TAP WATER REMAINS A SOURCE OF NATIONAL PRIDE

Information

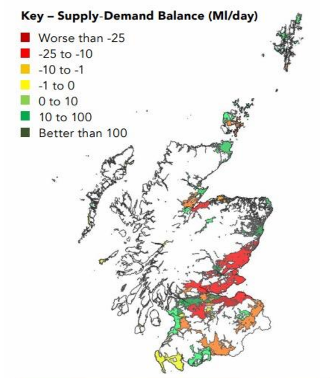
Balancing Supply and Demand of drinking water:

- Although it can rain a lot in Scotland it isn't always in the right place at the right time
- Climate change means there is likely to be more variability in rainfall
- Reducing the amount of water that our customers use can help to some extent if they are in water scarce areas
- Building new reservoirs is expensive – it costs less to join up existing networks so that water can be moved from parts of Scotland where it is plentiful to places in Scotland where it is scarcer.

Leakage

- As water pipes get older, they start to leak drinking water.
- We work hard to keep pipes in good condition to minimise leaks
- Over the last 10 years leakage levels have reduced by about 20% from 566 Megalitres per day to 462 Megalitres per day .
- If we did no work to prevent leakage for a year, that would result in an **extra 250 Megalitres a day** being lost

A standard Olympic-size swimming pool contains 2.5 ML or 2,500,000 litres of water



A 2050 future without adaptation. Outcomes:

- A national deficit of 240 Ml/d, compared to 60 Ml/d today during drought conditions
- Of this, increase 100 Ml/day, will be key population centres (Edinburgh, Lothian, Dundee, and Fife) – c. 1.6 million customers by 2050.

SW Internal
General

SLIDE 4

SCOTLAND'S RIVERS AND SEAS IMPROVE, AND OUR COMMUNITIES ARE PROTECTED FROM FLOODING

Managing Rainwater

- Most of Scotland's sewer pipes are '**combined sewers**' - one single pipe that combines the wastewater that is flushed down loos, or drained from sinks and toilets, with the rainwater from roofs and gutters.
- When these pipes get overwhelmed by too much rain, **the contents can come back up and out through toilets and indoor plumbing, through outside drains onto roads or gardens, or overflows into rivers and seas**
- Reducing the amount of rainwater that enters combined sewers can reduce the risk of sewers being overwhelmed.

Internal Sewer Flooding

- Sometimes sewers just need to be made larger, as removing rainwater is not possible or does not help enough.
- If a property is internally flooded, Scottish Water will undertake a study to understand why. If it was caused by the sewer pipes being too small, resulting in a 10% chance that the property will be flooded again in any given year, the property goes onto a Register.
- Properties on the Register are prioritised for investment to solve the problem.
- **Properties come off the Register when the problem is fixed, but properties are added every year as new problems are found. Climate change will increase this rate.**
- This means that continual investment is required to keep the numbers of properties on the Register the same.

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General

SLIDE 5

MAINTAIN AND OPERATE OUR ASSETS IN WAYS WHICH PROTECT SERVICE LEVELS, AND MAKE SURE THAT FUTURE GENERATIONS INHERIT ASSETS THAT HAVE BEEN WELL LOOKED AFTER AND ARE FUTURE PROOF.

Repairing and replacing our assets:

- Scottish Water owns a vast array of assets of all sizes - pipes, treatment works, pumps, electrical equipment, buildings and much more.
- Most of these assets need maintained in some way – taking into account the age and condition of assets, the consequences if things going wrong and the cost of maintenance and of responding to problems.

Replacing 1970's water pipes

- Scottish Water operates about 35,000 miles of water pipes of all sizes – enough to go all the way around the world and more than a third of the way around again.
- In the 1970's, some pipes were installed with a material that is starting to degrade much sooner and faster than originally expected. This is about 10% of our water pipe network.
- Although they don't leak much water as they tend to be small, they cause **repeated interruptions** to the water supply for customers connected to them.

6

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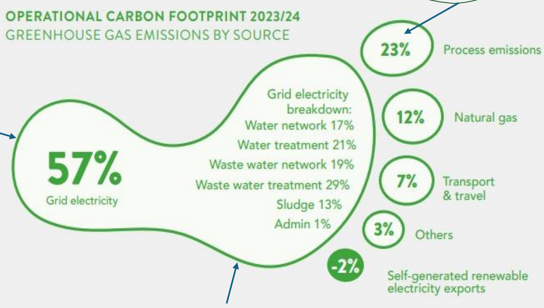
SLIDE 6

NET ZERO

Scottish Water has committed to a Net Zero carbon emission target **by 2040:**

- Over the last 3 years, there has been a cumulative emissions reduction that is equivalent to 18,000 return flights from London to New York (27,723 tCO2e)
- Last year's operational carbon footprint - was 225,000 tCO2e.
- Although action was taken to reduce emissions, changes to the electricity network mix resulted in an increase of by 5,000 tCO2e from the previous year

Process emissions are the gasses released by (mostly) sewage treatment processes



Electricity from the electricity network has it's own carbon footprint that depends on the mix of technology used to generate it. When it's less windy for example, more fossil fuels might have to be used

Last year renewables generated 42GWh (about 10% of what was used),reducing the amount bought from the electricity network. The extra was sold to the network

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General

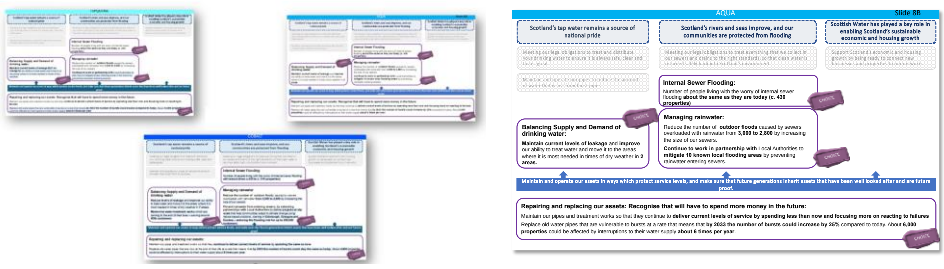
Carbon can be absorbed by creating woodlands on **Scottish Water owned land** or changing the ways that the land is managed by doing things like restoring peatlands around reservoirs. Last year Scottish Water managed about 23,000 Hectares (32,000 football pitches) to help reduce carbon and support **biodiversity**.

Trees need to be mature to be capturing carbon effectively –more carbon is saved by **planting them now** instead of waiting until later.

As well as absorbing carbon, these approaches support biodiversity and can help keep the water entering reservoirs cleaner, more resilient to climate change and easier and cheaper to turn into drinking water

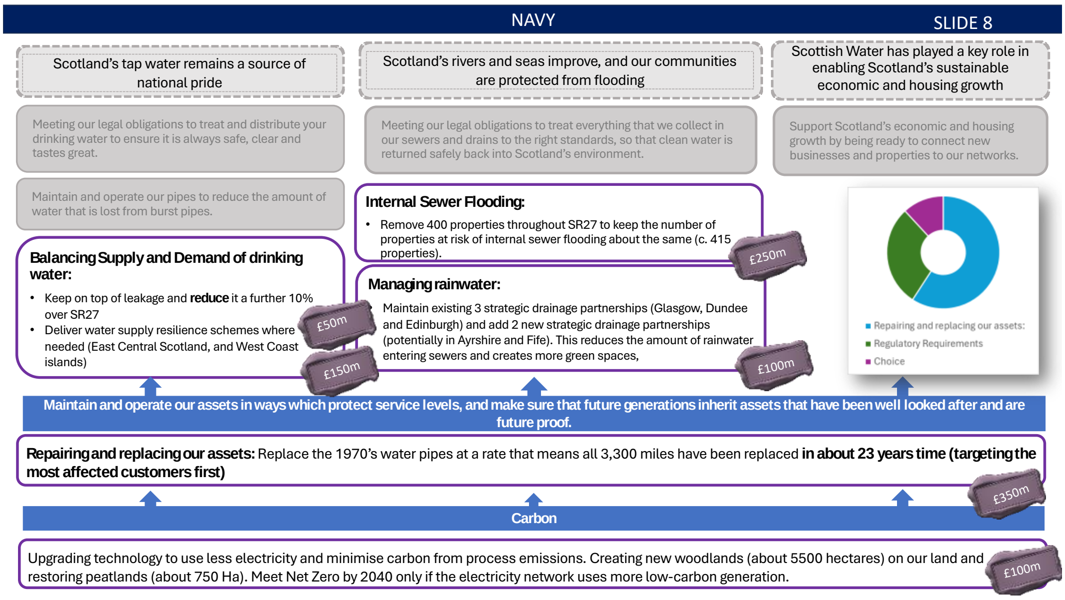
SLIDE 7

LAST TIME, YOU SAW THREE SCENARIOS, EACH BASED ON A DIFFERENT LEVEL OF CHARGING INCREASE



Based on your feedback SW have further developed a scenario

- They have been thinking about the outcomes it offers
- And how to structure the charges
- Let's now look at Navy scenario



SLIDE 9b

Long-term Objective	Choice Area	Investment	Scenario Navy	+£50m	-£50m
Scotland's rivers and seas improve, and our communities are protected from flooding	Internal Sewer Flooding	**£250m**	Remove 400 properties over SR27 to keep the number of properties at risk of internal sewer flooding **about the same** (c. **415 properties**).	**Remove about 80 extra properties, so that the number of properties at risk of internal sewer flooding is improved to about (c. 335 properties).**	**Remove about 80 fewer properties, so that the number of properties at risk of internal sewer flooding increases to about (c. 495 properties).**
	Managing rainwater	**£100m**	Maintain existing 3 strategic drainage partnerships (Glasgow, Dundee and Edinburgh) and add 2 new strategic drainage partnerships (potentially in Ayrshire and Fife). This reduces the amount of rainwater entering sewers and creates more green spaces,	**Plus multiple smaller scale local schemes and provide small 'blue-green' community fund for localised initiatives.**	**Maintain existing 3 strategic drainage partnerships and add a new partnership in only one area.**
Scotland's tap water remains a source of national pride	Balancing Supply and Demand of drinking water	**£50m**	Keep on top of leakage and **reduce** it a further 10% over SR27	**Reduce leakage by an extra 10% over SR27**	**Leakage stays about the same over SR27**
		£150m	Deliver water supply resilience schemes where needed (East Central Scotland, and West Coast islands), **reducing the drought risk** in these areas (about half the population of Scotland). Investment would have to increase after 2033 to ensure that the need for water is met by 2050. In the meantime, customers in these areas might be affected by water supply issues in times of dry weather.	**Deliver larger schemes in the same areas. Investing at this pace removes the drought risk by 2050 for customers in these locations.**	**Deliver smaller schemes in the same areas. Investment would have to increase after 2033 to ensure that the need for water is met by 2050. In the meantime customers in these areas might be affected by water supply issues in times of dry weather.**
Maintain and operate our assets in ways which	Repairing and replacing our assets	**£350m**	Replace the 1970's water pipes at a rate that means all 3,300 miles have been replaced **in about 23 year's time (targeting the most affected customers first)**	**Pipes are replaced about three years sooner**	**Pipes are replaced about three years later**
Net Zero Emissions	Operational emissions	**£100m**	Upgrading technology to use less electricity and minimise carbon from process emissions. Creating new woodlands (about 5500 hectares) on our land and restoring peatlands (about 750 Ha). Meet Net Zero by 2040 **only if** the electricity network uses more low-carbon generation.	**Plus renewables and further woodlands, which will help to accommodate the uncertainty of the electricity network mix over the next 15 years to be more likely of meeting Net Zero by 2040**	**A reduced programme of technology upgrades. Creating new woodlands (about 5500 hectares) on our land and restoring peatlands (about 750 Ha). Fail to meet Net Zero by 2040.**

HH Bills Stimulus

Scottish Water
Trusted to serve Scotland

SLIDE 10

WATER AND WASTEWATER CHARGES - 2025/26

- In the last session you would have seen 2024/25 charges
- The charges for 2025/2026 (which take effect from 1st April 2025) have now been released and are below for your reference
- This represents a 9.9% increase from 2024/2025.

Council Tax Band	No Discount	Single Person 25% Discount	Full Discount 35%
A	£400	£300	£260
B	£467	£350	£304
C	£534	£400	£347
D	£600	£450	£390
E	£734	£550	£477
F	£867	£650	£564
G	£1,001	£750	£650
H	£1,201	£901	£781

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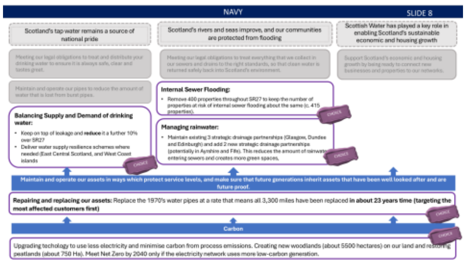
SLIDE 12

LAST TIME WE TALKED ABOUT CHARGING, IT WAS BASED ON A SMOOTH AND STEADY INCREASE EVERY YEAR FROM 2027 TO 2033



However, there are different ways that Scottish Water could spread bill increases.

We are using the Rebalanced Navy scenario as an example

WE WANT TO GET YOUR VIEWS ON DIFFERENT WAYS TO SPREAD OUT CHARGES BETWEEN 2027-2033.

Note: these are simply examples and do not mean your charges will be increasing by this amount

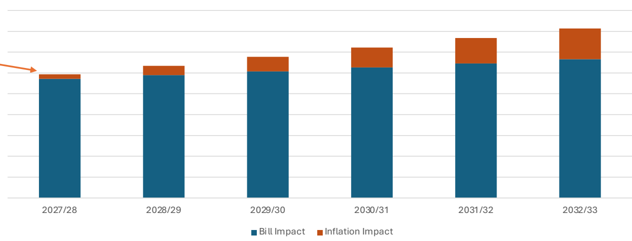
WHAT IS INFLATION?

SLIDE 13

- Every year the price of goods and services goes up – this is called inflation
- Currently inflation is at 2.8%
- The UK Government and Bank of England have a 2% inflation target
- For Scottish Water to have more money to spend, price rises have to be above inflation.

BUT..WE DON'T KNOW WHAT INFLATION WILL BE LIKE IN THE FUTURE

Inflation assumption here is 2% every year



The next graphs you will see do not include this orange Inflation Impact

Inflation means that £1 today buys less than £1 in 6 years.
This can make it difficult to compare your finances now with future bills.
For this reason we are showing examples in 2024/25 prices – so that the value of £1 is the same

Actual charges that would be paid every year based on these examples would be higher

BAND B

SLIDE 14

OPTION: STEADY INCREASE

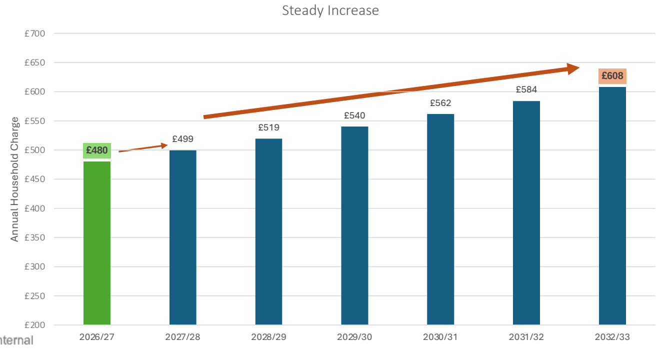
Note: *These are examples and in practice would change with inflation. The numbers below are presented in terms of value of money today. We don't know what will happen with future inflation.*

What would this mean?

A steady increase of 4% (above inflation) each year.

What could this look like?

Remember, we don't know what bills will look like next year, so we have used an estimate of what your bill will look like (in green).



Bill costs **£128** more in 2032/33, than in 2026/27 (in green)

Total amount you will pay over 2027/28 to 2032/33: **£3,312**

Inflation is not included in these figures so bills will be higher than this.

SW Internal
General

BAND B

SLIDE 15

OPTION: BIGGER INCREASE FIRST, SMALLER INCREASES LATER

Note: *These are examples and in practice would change with inflation. The numbers below are presented in terms of value of money today. We don't know what will happen with future inflation.*

What would this mean?

Increasing by 11% (above inflation) in the first year, followed by 1.47% (above inflation) in subsequent years.

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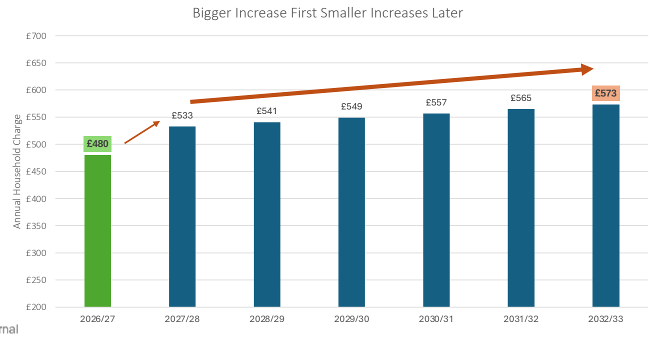

Bill costs **£93** more in 2032/33, than in 2026/27 (in green)

Total amount you will pay over 2027/28 to 2032/33: **£3,318**

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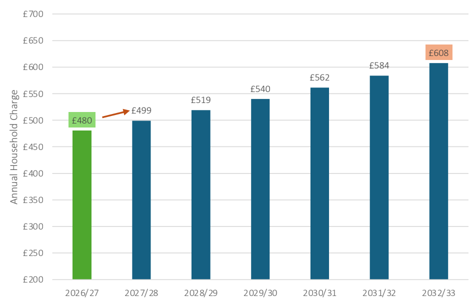
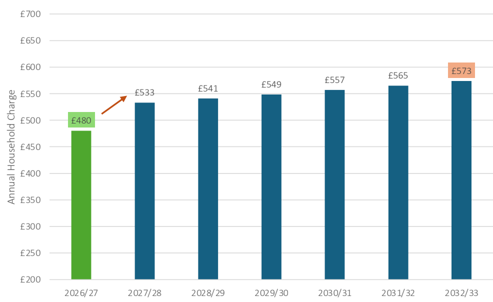
SLIDE 16





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What could this option mean for SW & future investment?

- A larger increase earlier on means that Scottish Water is able to get started on bigger activities earlier on
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SW Internal
General

NHH Bills Stimulus

SLIDE 12

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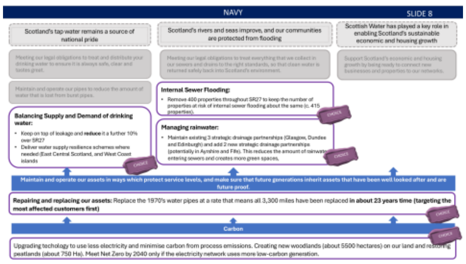

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WHAT IS INFLATION?

SLIDE 11

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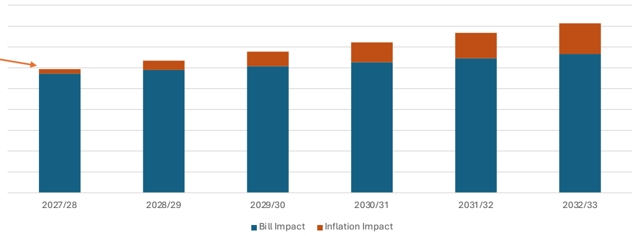

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Actual charges that would be paid every year based on these examples would be higher

Current business bill of £1000

SLIDE 12

Option – Steady Increase

Note: These are examples and in practice would change with inflation. The numbers below are presented in terms of value of money today. We don't know what will happen with future inflation.

These costs are Scottish Water's wholesale charges only. They do not reflect the total amount you may pay to your Licenced Provider (this will vary).

What would this mean?
A steady increase of 4% (above inflation) each year.

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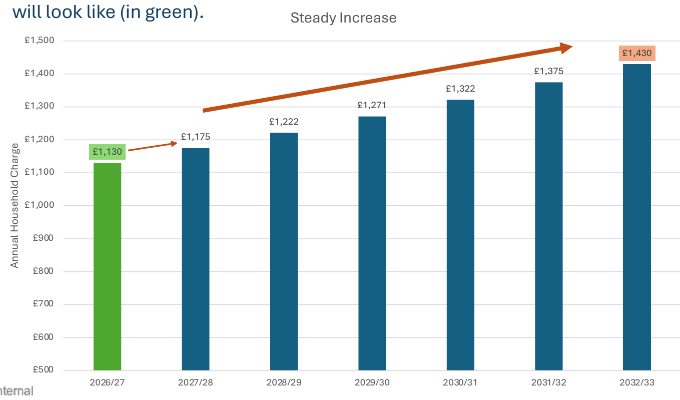

Bill increase from 2026/27 to 2032/33 – **£300**

Total amount you will pay over 2027/28 to 2032/33 - **£7794**

Inflation is not included in these figures so bills will be higher than this.

SW Internal
General

Current business bill of £1000

SLIDE 13

Option – Bigger increase first, smaller increases later

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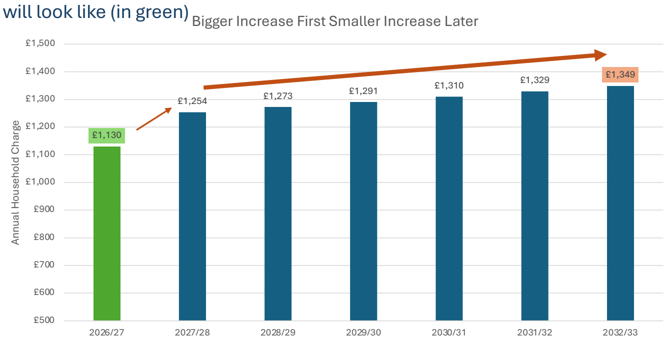

Bill increase from 2026/27 to 2032/33 – **£219**

Total amount you will pay over 2027/28 to 2032/33 - **£7806**

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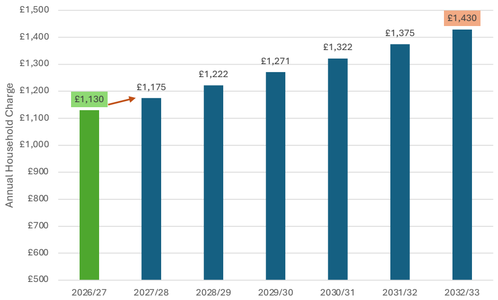
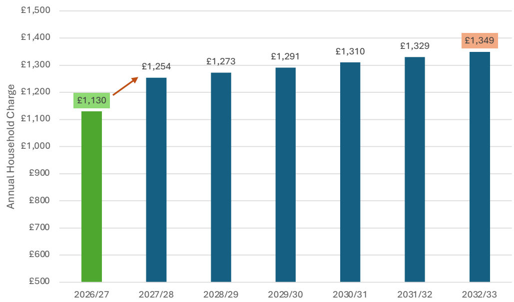
Current business bill of £1000

SLIDE 14

Steady Increase



Bigger Increase First Smaller Increase Later



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General

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SLIDE 10

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General

SLIDE 12

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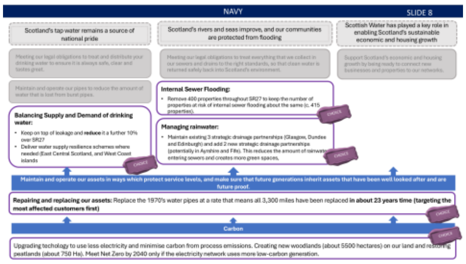

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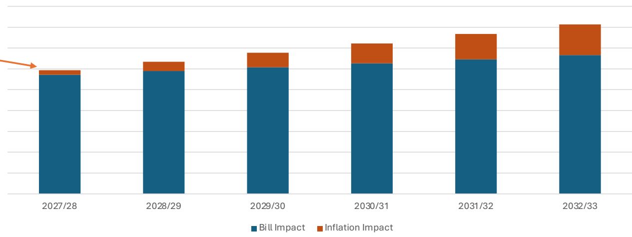

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BAND B

SLIDE 14

OPTION: STEADY INCREASE

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What could this look like?
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Total amount you will pay over 2027/28 to 2032/33: **£3,312**

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SLIDE 14 B

What a Steady Increase looks like for other Council Tax bands.

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STEADY INCREASE

Prices in today's values (which exclude inflation). Combined (Base Year is 2024/25)

Financial Year/Council Tax Band	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2026/27	**£412**	**£480**	**£549**	**£617**	**£754**	**£892**	**£1,029**	**£1,235**
2027/28	£428	£499	£571	£642	£785	£927	£1,070	£1,284
2028/29	£445	£519	£594	£668	£816	£964	£1,113	£1,335
2029/30	£463	£540	£617	£694	£849	£1,003	£1,157	£1,389
2030/31	£481	£562	£642	£722	£883	£1,043	£1,204	£1,444
2031/32	£501	£584	£668	£751	£918	£1,085	£1,252	£1,502
2032/33	**£521**	**£608**	**£694**	**£781**	**£955**	**£1,128**	**£1,302**	**£1,562**
How much more bill will cost in 2032/33 than 2026/27	**£109**	**£127**	**£146**	**£164**	**£200**	**£237**	**£273**	**£328**
Total amount you will pay over 2027/28 to 2032/33	***£2,839***	***£3,312***	***£3,785***	***£4,258***	***£5,205***	***£6,151***	***£7,097***	***£8,517***

Inflation is not included in these figures so bills will be higher than this.

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BAND B

SLIDE 15

OPTION: BIGGER INCREASE FIRST, SMALLER INCREASES LATER

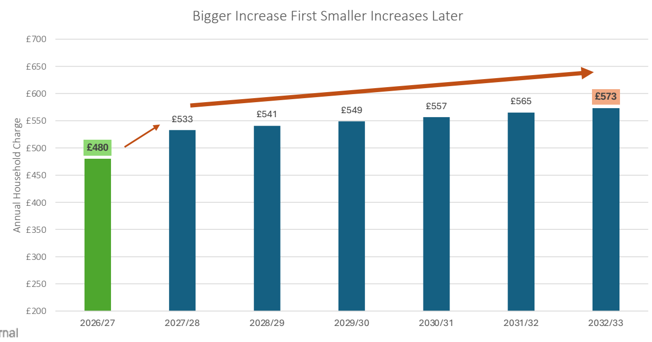
Note: These are examples and in practice would change with inflation. The numbers below are presented in terms of value of money today. We don't know what will happen with future inflation.

What would this mean?

Increasing by 11% (above inflation) in the first year, followed by 1.47% (above inflation) in subsequent years.

What could this look like?

Remember, we don't know what bills will look like next year, so we have used an estimate of what your bill will look like (in green)



Bill costs **£93** more in 2032/33, than in 2026/27 (in green)

Total amount you will pay over 2027/28 to 2032/33: **£3,318**

Inflation is not included in these figures so bills will be higher than this.

SW Internal
General

SLIDE 15 B

What a Bigger Increase then Smaller Increases looks like for other Council Tax Bands

Note: These are examples and in practice would change with inflation. The numbers below are presented in terms of value of money today. We don't know what will happen with future inflation.

BIGGER INCREASE AT THE START, SMALLER INCREASES LATER

Prices in today's values (which exclude inflation). Combined (Base Year is 2024/25)

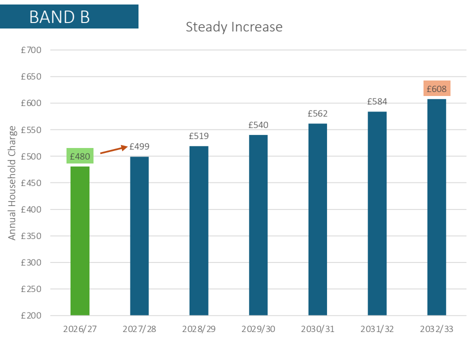
Financial Year/Council Tax Band	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2026/27	**£412**	**£480**	**£549**	**£617**	**£754**	**£892**	**£1,029**	**£1,235**
2027/28	£457	£533	£609	£685	£837	£990	£1,142	£1,370
2028/29	£464	£541	£618	£695	£850	£1,004	£1,159	£1,391
2029/30	£470	£549	£627	£706	£862	£1,019	£1,176	£1,411
2030/31	£477	£557	£636	£716	£875	£1,034	£1,193	£1,432
2031/32	£484	£565	£646	£726	£888	£1,049	£1,211	£1,453
2032/33	**£491**	**£573**	**£655**	**£737**	**£901**	**£1,065**	**£1,228**	**£1,474**
How much more bill will cost in 2032/33 than 2026/27	**£80**	**£93**	**£106**	**£120**	**£146**	**£173**	**£200**	**£240**
Total amount you will pay over 2027/28 to 2032/33	***£2,844***	***£3,318***	***£3,791***	***£4,265***	***£5,213***	***£6,161***	***£7,109***	***£8,531***

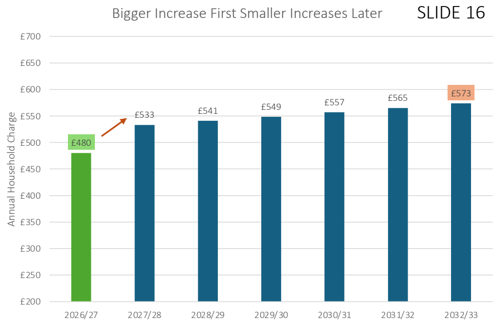
Inflation is not included in these figures so bills will be higher than this.

SW Internal
General

BAND B

SLIDE 16





Bill costs **£128** more in 2032/33, than in 2026/27 (in green)

Total amount you will pay over 2027/28 to 2032/33 - **£3,312**

Inflation is not included in these figures so bills will be higher than this.

Bill costs **£93** more in 2032/33, than in 2026/27 (in green)

Total amount you will pay over 2027/28 to 2032/33 - **£3,318**

What could this option mean for SW & future investment?

- A larger increase earlier on means that Scottish Water is able to get started on bigger activities earlier on
- Scottish Water can get better value for money from their suppliers and contractors if they are able to commit to more, earlier on – as suppliers and contractors like knowing that they can be sure of future work.

SW Internal
General

STEADY INCREASE

Inflation is not included in these figures so bills will be higher than this.

SLIDE 16B

Prices in today's values (which exclude inflation). Combined (Base Year is 2024/25)

Financial Year/Council Tax Band	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2026/27	**£412**	**£480**	**£549**	**£617**	**£754**	**£892**	**£1,029**	**£1,235**
2027/28	£428	£499	£571	£642	£785	£927	£1,070	£1,284
2028/29	£445	£519	£594	£668	£816	£964	£1,113	£1,335
2029/30	£463	£540	£617	£694	£849	£1,003	£1,157	£1,389
2030/31	£481	£562	£642	£722	£883	£1,043	£1,204	£1,444
2031/32	£501	£584	£668	£751	£918	£1,085	£1,252	£1,502
2032/33	**£521**	**£608**	**£694**	**£781**	**£955**	**£1,128**	**£1,302**	**£1,562**
How much more bill will cost in 2032/33 than 2026/27	£109	£127	£146	£164	£200	£237	£273	£328
Total amount you will pay over 2027/28 to 2032/33	*£2,839*	*£3,312*	*£3,785*	*£4,258*	*£5,205*	*£6,151*	*£7,097*	*£8,517*

BIGGER INCREASE AT THE START, SMALLER INCREASES LATER

Prices in today's values (which exclude inflation). Combined (Base Year is 2024/25)

Financial Year/Council Tax Band	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
2026/27	**£412**	**£480**	**£549**	**£617**	**£754**	**£892**	**£1,029**	**£1,235**
2027/28	£457	£533	£609	£685	£837	£990	£1,142	£1,370
2028/29	£464	£541	£618	£695	£850	£1,004	£1,159	£1,391
2029/30	£470	£549	£627	£706	£862	£1,019	£1,176	£1,411
2030/31	£477	£557	£636	£716	£875	£1,034	£1,193	£1,432
2031/32	£484	£565	£646	£726	£888	£1,049	£1,211	£1,453
2032/33	**£491**	**£573**	**£655**	**£737**	**£901**	**£1,065**	**£1,228**	**£1,474**
How much more bill will cost in 2032/33 than 2026/27	£80	£93	£106	£120	£146	£173	£200	£240
Total amount you will pay over 2027/28 to 2032/33	*£2,844*	*£3,318*	*£3,791*	*£4,265*	*£5,213*	*£6,161*	*£7,109*	*£8,531*

General

Appendix E

Additional Information

Validation, Verification and Monitoring

Our research is subjected to rigorous quality control procedures to ensure accuracy and reliability.

Data Verification

- Thoroughly review all questionnaires for completion before analysis.
- Verify the accuracy of frequencies, data tabulations, and raw data.

CAPI Validation

- Validate 10% of face-to-face interviews through a combination of methods (telephone, online and SMS).

CATI Validation

- Listen in on 5% of telephone interviews to ensure quality.

Data Validation – All Quantitative Responses

- Subject all interviews to a computer edit with appropriate logic checks to enhance data accuracy.
- Subject all responses to a thorough 100% manual edit, conducted by trained coders.
- Utilise SPSS for a detailed analysis of standard questions.

Data Monitoring

- Conduct meticulous report edits to ensure data accuracy.
- Identify and rectify missing values.
- Apply forced edits for logical consistency and verify its effectiveness through subsequent data runs.
- Develop and present a comprehensive client-approved codeframe for open or 'other' questions

Tabulations and Data Outputs Verification

- Perform various checks, including accuracy of tables, abbreviations, base size, cross breaks, derived data, subgroups, net totals, weighting, frequencies, spelling, and statistical analysis.

Additional Information

Full details of the research design and methodology are available upon request.

Accent conforms to the requirements of ISO 20252:2019.

The following information on qualitative work is available upon request:

- Recruitment methodology (e.g. postal, telephone, online, telephone to web),
- The number of interviewers or moderators, if applicable,
- The fieldworker/moderator validation methods, if applicable,
- The documents, materials or products used, if applicable,
- A statement that the results of qualitative research cannot be projected onto the overall population due to sample selection, interviewing methods, and sample size,
- Interview duration,
- Quotas/sample selection,
- Identity validation results, where relevant,
- De-duplication statistics and methods,
- Measures and outcomes of participant engagement monitoring,
- Participation exclusion and completion rates, including methods used to calculate them,
- Details of any subcontracting

SR27 Customer Perceptions Research

Written Report

December 2025

Prepared by: Dawn Mulvey, Michael Brainch, Kate Tower and Kayte Ashton

Prepared for: Scottish Water

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Executive summary

Background and objectives

Scottish Water is developing its business plan for the next business plan period, SR27. To ensure customer priorities and expectations are fully reflected, an extensive engagement programme has been undertaken. This report focuses on quantitative research conducted in Summer/Autumn 2025 (fieldwork ran from the 7 – 21 August 2025).

The primary research objective was to understand representative customer perceptions of the draft SR27 business plan investment scenario and associated costs. Create Clarity worked closely with Scottish Water and the Research Advisory Group (RAG) to design a robust survey, incorporating cognitive testing, piloting, and rigorous data cleaning to ensure data quality and validity.

The average survey length was 17 minutes, which is close to the recommended maximum given the complexity of the topics covered. We worked collaboratively to prioritise essential content, as adding more would have increased cognitive burden and reduced data quality.

A dual sampling approach was used:

- **Household customers (HH):** 1,065 participants (965 online and 100 face-to-face, including harder-to-reach groups). This included a sample of future customers, who are customers aged 16-24 who are not current bill payers but may become bill payers during SR27.
- **Non-household customers (NHH):** 200 participants, spanning different business sizes, sectors, and consumption levels.

Samples were nationally representative and weighted where appropriate (see section 5.1 data weighting). All participants had a mains water supply, with 94% also on mains waste water.

Survey Content

A mixture of closed and open questions was used to measure perceptions. It included comprehensive contextual and stimulus materials, which was carefully designed and rigorously tested through cognitive interviews and a quantitative pilot to ensure clarity and effectiveness.

The questionnaire flow is as follows. All stimulus information is available in the Appendix.

Section	Detail
Screener	Screener questions included gender, age, area, working status, water bill responsibility, decision-making authority (business), water/ waste supply, spend on water (business), council tax band, business premise (business), occupation, social grade, and discount received.

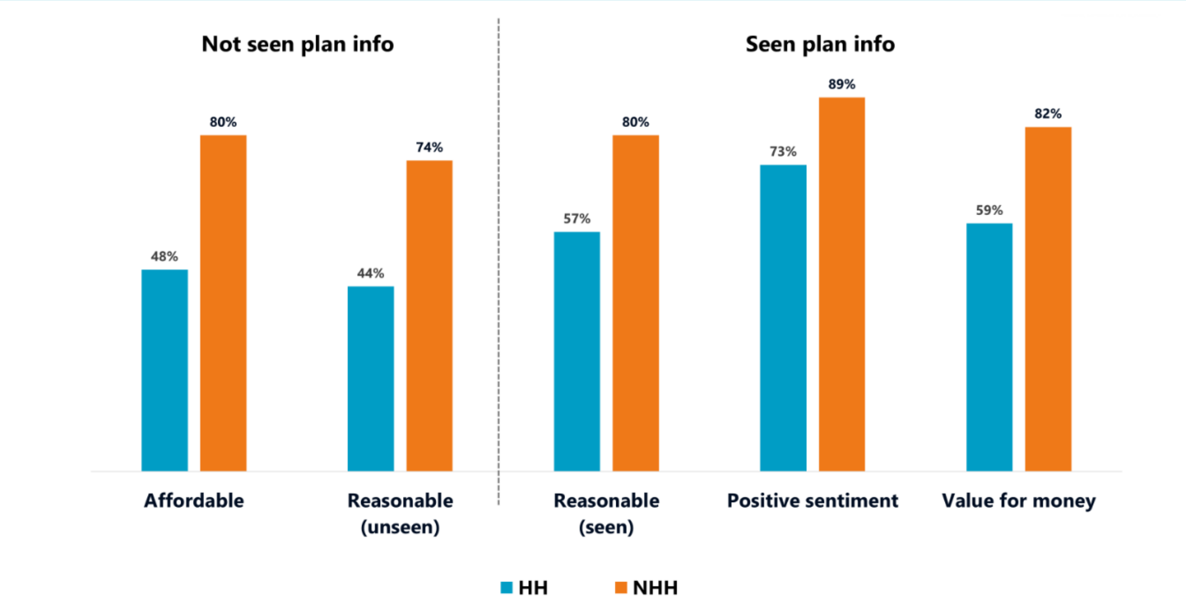
Awareness and knowledge	Awareness of Scottish Water, awareness of supplier for water services, trust in Scottish Water. *(Stimulus shared: Introduction to Scottish Water)*
Affordability KPIs (plan unseen)	*(Stimulus shared: Water sector challenges)* Ability to pay more for water services (open response, no context provided) *(Stimulus shared: Information about inflation, Personalised bill profiles based on council tax band and discount to highlight the proposed SR27 bill increase)* Affordability of Scottish Water bill increase (draft plan and investment areas unseen) Reasonableness of Scottish Water bill increase (draft plan and investment areas unseen)
Investment areas	Importance of investment areas Perceived performance of investment areas *(Stimulus shared: Information about seven potential investment areas for example Drinking Water Quality)* Sentiment to investment area proposals Why (if sentiment very positive or very negative)
Plan on a page KPIs (investment areas and plan on a page seen)	*(Stimulus shared: Draft Business Plan on a page)* Sentiment to draft plan Value for money of draft plan Reasonableness of draft plan Overall views (open text response)
Communication	Desired communication about plan and content Heard anything positive or negative about Scottish Water, wider sector
Affordability and ability to pay	Ability to pay bills, length of time struggling, changes in circumstance, changes made, confidence in paying bills in future
Demographics	Area, ethnicity, number people in household, number of children, health disability, climate change concern, reliability on water (business), sector (business), size of business (business)

Key Performance Indicators (KPIs)

Results have been tested for statistical significance at the 95% level. Throughout this report, where results are statistically significant this has been flagged either with the word ‘significant’ or in table/graphical format with an arrow.

The KPI chart shows top-level responses from HH and NHH customers. Initially, customers rated the affordability and reasonableness of the personalised price increase before seeing any information about investment areas or the draft business plan. After reviewing the investment details and the plan on a page, they were asked again to rate reasonableness (using the same question for comparison), as well as provide sentiment and perceived value-for-money ratings.

KPIs: Top 2 box agreement



Overall sentiment

The plan is viewed positively by most customers (73% HH; 89% NHH), with only 6% expressing negative sentiment (the remaining neutral).

Customers see the plan as well thought-out, with strong support for water quality improvements, leakage reduction, and ensuring continuity of water supply. A minority question whether the plan is achievable and raise issues over cost. Around 7% doubt its realism, and these customers report lower perceptions of value for money and reasonableness.

Affordability and value

The survey was undertaken at a time when many customers are financially struggling and impacted by the cost of living, so this is likely to have had an influence on participants responses (see section 6.1).

A summary of reactions to the proposed price rise:

- The content of the proposed plan should not affect the perceived affordability of the proposed plan. Therefore, we assessed affordability first, before presenting information about the investment areas and a summary of the plan on a page. Personalised bill profiles were shown based on council tax band and discounts for HH customers, and actual bill amounts for NHH customers. Charges excluded inflation (see reasoning here), though an explainer illustrated the impact of 2% inflation.
- Results show 48% of HH customers considered the proposed increases unaffordable (vs. 20% of NHH), while 48% of HH and 80% of NHH found them affordable. Financially vulnerable customers (those with an income less than £12,000 per year)

and those age 45-54 are significantly more likely to feel the price rise is 'not affordable at all' (36% for financially vulnerable and 35% for age 45-54 vs 20% total HH sample). There are no significant differences by council tax band or discount received. This suggests the notion of affordability is a complex one and is not determined by council tax band or the discount received.

- When asked about the reasonableness of the price rise (again before seeing information about the draft plan and investment areas), **44% of HH customers considered it reasonable, compared to 74% of NHH.** There is a proportion of customers who are neutral (feel the price rise is neither reasonable nor unreasonable) - 21% of HH and 16% of NHH customers.
- Financially vulnerable customers (those earning less than £12,000 per year) are significantly more likely to feel the price rise is very unreasonable (26% versus 13% total HH sample).
- After reviewing the plan information and investment areas, acceptance increased, and those with positive views of the plan were more likely to see the proposed rise as reasonable. However, levels of ambivalence remain the same, with 21% of HH and 15% of NHH customers indicating the price rise is neither reasonable nor unreasonable.
- NHH customers were consistently more positive: **82% considered the plan value for money (vs 59% HH) and 80% considered it reasonable (vs 57% HH)** after viewing plan information. A proportion of customers remain neutral about both value for money (27% HH and 13% NHH) and reasonableness (21% HH and 15% NHH).
- Some negativity remains. 14% of HH and 7% of NHH customers do not believe the plan provides value for money, and 22% of HH and 7% of NHH customers do not think it is reasonable. Cost is the main driver of the (small amount) of negative sentiment towards the draft business plan.

Feedback on investment areas

Participants were presented with brief descriptions of seven investment areas and asked to rate both the importance of each area and their perception of Scottish Water's performance in that area. Customers rated two areas as most important: ***drinking water quality*** and ***a reliable water supply***.

The priority order of investment areas is largely consistent across HH and NHH customers. HH customers rate ***reliable water supply*** as more important in comparison to NHH customers, whilst NHH customers rate ***reducing environmental pollution and spills*** and ***carbon footprint*** as more important than HH customers (looking at percentage ranking within top 3 priorities).

Drinking water quality and ***a reliable water supply*** are also the areas both HH and NHH customers feel Scottish Water is seen to be performing best in. NHH customers have more awareness of Scottish Water's current performance in all areas and tend to have a more positive view of the performance of investment areas ranked lower in importance such as ***reducing environmental pollution and spills, reducing leakage*** and ***carbon footprint*** when compared to HH customers.

Customers were then shown Scottish Water's SR27 proposals across seven investment areas. This included:

- Performance context: results from the last period, anticipated position in 2027, and projected outcomes for 2033.
- Rationale for investment: linked to Scottish Water's three long-term challenges.
- Planned approach: how Scottish Water intends to invest in each area.

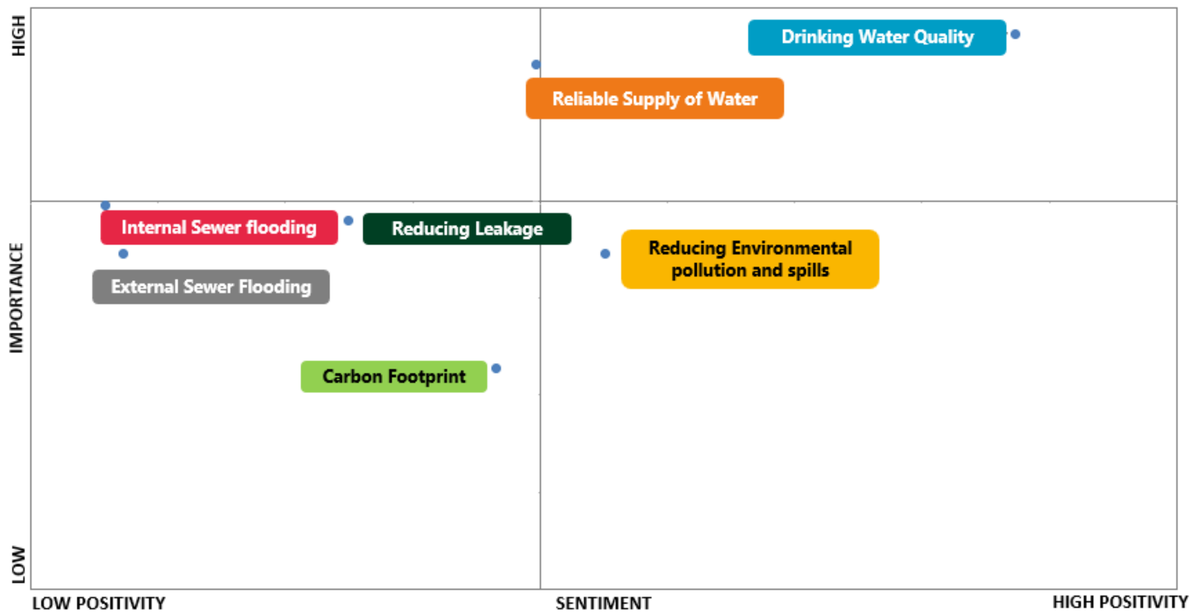
Both HH and NHH customers showed strongest support for proposals related to drinking water quality, reliability, and leakage reduction. In contrast, Scottish Waters's proposals for internal and external sewer flooding received less positive sentiment, especially for HH customers, despite internal flooding being a stated priority for customers.

Both HH and NHH customers view carbon footprint as a lower investment priority, and Scottish Water's proposal to reduce it receives, at best, moderate support overall. Among customers who do not believe climate change is real or problematic, support for this proposal is very low.

Those who felt 'very positive' about investment areas typically praised Scottish Water's forward-thinking approach to ensuring a continuous supply of clean water while protecting the environment. Negative views on sewer flooding stemmed from perceptions that the situation would not improve, while scepticism about climate change and net zero drove negativity toward carbon-related proposals.

Typically, the areas that HH and NHH customers see as important receive positive sentiment towards their associated proposal. However, internal sewer flooding is an area important for customers where there is lower positivity towards the investment proposal. In the below chart, this information is combined, though separate HH 'and NHH versions are available in section 6.2.3 (Investment area results).

Importance vs sentiment to investment proposal (HH & NHH)



B1. Below you will see information on different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important

and 7 is least important. Click on each option in the order you rank them. B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032?
Total: 1265

Overall, customers are keen to receive more information on the final business plan (63% yes, 31% maybe, 6% no). NHH are especially keen (83% yes vs 60% HH yes).

1 Introduction

1.1 Background

Scottish Water is developing its draft business plan for SR27. To support this, an extensive customer engagement programme is underway to ensure customer priorities and expectations shape the plan.

The Water Industry Commission for Scotland (WICS), Consumer Scotland and Scottish Water and its Independent Customer Group (ICG) all agree that Scottish Water must continue to demonstrate how its plans reflect customer expectations. WICS has welcomed the successful inclusion of engagement in developing previous business plans and supports Scottish Water's initiative to better understand customer views going forward.

Several key factors such as underrepresentation, affordability and uninformed versus informed viewpoints were considered in this engagement to ensure a comprehensive understanding of customer perspectives and concerns.

1.2 Collaboration

Scottish Water is working collaboratively with the RAG to deliver research which will form the evidence base for the draft SR27 business plan. The RAG includes representatives from Scottish Water, Consumer Scotland and the ICG.

1.2.1 Balancing affordability concerns with the need to invest

Scottish Water's business plans align with its 25-year draft long-term strategy, published in May 2025, which focuses on three main challenges:

- Increased pressure on water and wastewater services due to more extreme weather events
- A growing and a demographically shifting population putting increased demands on the network
- Ageing infrastructure, which needs to be replaced to meet modern demands and environmental conditions

The draft business plan focuses on high-quality service delivery and addresses environmental challenges, balancing investment with affordability in light of the cost-of-living crisis.

To ensure affordability is properly addressed, we adopted measures to assess affordability in the quantitative survey. Customers may view the draft plan favourably, but this does not mean they feel that they can afford to pay for it.

1.3 The need for a representative view

A wealth of qualitative research supported the development of the draft SR27 business plan. Create Clarity has collaborated with Scottish Water to gauge perceptions from a quantitative perspective.

To achieve this, we spoke to a robust sample size from a nationally representative audience with a more typical level of industry awareness. A diverse customer base was engaged that included underrepresented and seldom-heard voices. Comprehensive educational materials were provided to ensure customers could deliver valid responses. Additionally, the survey was designed to balance complexity and simplicity, making it both engaging and understandable.

2 Objectives of the research

2.1 Overall objective

The overall objective was to understand representative customer perceptions of the draft SR27 business plan investment scenario and the associated costs.

2.2 Research objectives

Scottish Water identified several specific research questions to be explored. These can be split into the three main themes listed below.

Level of support for the draft business plan	Affordability and costs	Communication
• Sentiment and reasonableness of proposed plan and investment areas. • Reactions to the 'plan on a page' and investment areas • Likes and dislikes	• Spontaneous ability to pay more • General affordability, ability to pay and actions taken to reduce costs • Reactions to personalised proposed bill increases	• Information customers would like to receive from Scottish Water • Influence of media messaging on perceptions

3 Methodology

3.1 Project initiation session and on-going collaboration

An online inception workshop was conducted to ensure there was common and agreed understanding of the project objectives and required outcomes. Collaboration with both Scottish Water and the RAG was ongoing, with weekly meetings between Create Clarity and Scottish Water. Each week, the methodology and design were discussed and debated with follow-up actions for both parties.

Scottish Water communicated with the RAG on a regular basis, with Create Clarity also attending meetings at key points (for example to discuss the content of the survey once it was designed).

3.2 Summary of method

A quantitative methodology was adopted, using mixed methods. A robust quantitative study among a large, uninformed audience ensured that the results can be used to infer perceptions across all Scottish Water customers.

To ensure robust analysis, differences between customer subgroups were formally tested rather than assumed. Statistical significance was assessed at the 95% confidence level, which is the standard threshold in research. This means that any reported differences are considered significant only if the likelihood of them occurring by chance is less than 5% ($p < 0.05$). In practical terms, we can be confident that these variations reflect genuine differences in customer views rather than random variation. Throughout this report, where results are statistically significant this has been flagged as a significant difference either with the word 'significant' or with an arrow on table/graphical representations. In section 6 (findings), the 'Segment differences' subsections highlights where significant variations exist between customer segments and, for key segments, notes where results show no significant differences.

<table>
<tr><th>Method</th><th>Description</th></tr>
<tr><td>Survey method</td><td>Online for general Scottish Water customers.
Face-to-face for underrepresented customers.</td></tr>
<tr><td>Survey length</td><td>Average 17 minutes.</td></tr>
<tr><td>Format</td><td>Questionnaire with closed and open-ended questions, importance ranking exercises, viewing of stimulus outlining draft business plan reference investment scenario followed by quantitative metrics, highlighting tool exercises, AI powered open end probing to provide comprehensive feedback.</td></tr>
<tr><td>Sample size - online</td><td><table><tr><td>HH online</td><td>965</td></tr><tr><td>NHH</td><td>200</td></tr></table>These sample sizes allowed segmentation analysis among core demographic and firmographic groups.</td></tr>
</table>

<table>
<tr><td>Sample size – face-to-face</td><td>
<table><tr><td>HH</td><td>100</td></tr></table>
As digital exclusion often overlaps with other vulnerabilities such as older age and financial vulnerability, we used the Office of National Statistics data to target postcodes likely to have higher rates of digital disengagement (i.e. rural, remote, financially deprived regions, 75+).</td></tr>
<tr><td>Sample breakdown</td><td>
The sample was representative of the population in Scotland.

We used soft quotas to ensure the sample was as representative as possible. Soft quotas are where nationally represented targets are set and monitored throughout the survey to ensure they align with the true national proportions. Applying soft quotas ensured that 'over-weighting' was not required. Over-weighting occurs when the sample is largely different from the population.

For the HH sample, we assigned soft quotas to the following demographics:

Region
Age
Gender
Social grade
Future customers
Council tax band

Minimal data weighting was applied to reflect the population of Scotland. The resulting sample was within +/-5% of the census information for the population of Scotland.

Target proportions by region
<table>
<tr><th colspan="2">Region</th></tr>
<tr><td>Aberdeen and Aberdeenshire</td><td>9%</td></tr>
<tr><td>Angus, Dundee, Perth, Kinross, Stirling</td><td>10%</td></tr>
<tr><td>Clackmannanshire, Fife, Falkirk</td><td>11%</td></tr>
<tr><td>Dumfries & Galloway</td><td>3%</td></tr>
<tr><td>Argyll and Bute, East Dunbartonshire, West Dunbartonshire</td><td>5%</td></tr>
<tr><td>East Ayrshire, North Ayrshire, South Ayrshire</td><td>7%</td></tr>
<tr><td>East Lothian, Midlothian, West Lothian</td><td>7%</td></tr>
<tr><td>East Renfrewshire, Renfrewshire</td><td>5%</td></tr>
<tr><td>Inverclyde</td><td>1%</td></tr>
<tr><td>Edinburgh</td><td>9%</td></tr>
<tr><td>Glasgow</td><td>11%</td></tr>
<tr><td>North Lanarkshire, South Lanarkshire</td><td>12%</td></tr>
<tr><td>Orkney Islands, Shetland Islands, Eilean Siar</td><td>1%</td></tr>
<tr><td>Scottish Borders</td><td>2%</td></tr>
<tr><td>Highlands (Inverness, Nairn, Moray, Strathspey)</td><td>6%</td></tr>
</table>
</td></tr>
</table>

	For the NHH sample, the soft quotas used were: • Region • Business size • Bill size
Criteria	**HH** • The participant and everyone they live with does not work in any related industries: advertising, journalism, water supply or waste water, marketing, marketing research or academia. • Lives in Scotland. • 16+ years old. • Complete or shared responsibility for paying council tax. • Has a mains clean water and waste water supply and has no private supply (e.g. septic tank). • No ongoing complaints or issues with Scottish Water. **HH future customers** As above but: • Not responsible for paying their household's council tax bills. • Aged between 16 and 25. **NHH** • Work premises in Scotland. • Key decision maker. • Aware of how much they pay for their water/ waste services.
Enhancements used	• Heat maps for plan on a page likes and dislikes. • AI-simulated open-ended probing for views on the 'plan on a page'.

3.3 Mixed methodology approach

To ensure that we included the full range of customers we adopted a mixed methodology approach. The majority of interviews were conducted online. Within the HH online sample, we included those who are financially, medically and age vulnerable. The exact nature of these vulnerabilities is discussed in the section on sampling. The sample also ensured a representative cross spread of council tax bands and those who receive discounts.

Some customers, such as the digitally disengaged, would not be captured online. Therefore, we included 100 face-to-face interviews to ensure inclusion of these groups, in addition to those living in very rural areas, and those aged 75+ who are less likely to be part of an online panel.

A summary of our mixed methods approach is as follows:

3.3.1 Online methodology

Both HH and NHH customers.

3.3.2 Face-to-face

Only HH hard-to-reach customers.
We opted for a face-to-face methodology for this group rather than computer aided telephone interviews (CATI) because of the need to present visual information such as the reference investment scenario.

3.4 Incorporating diverse voices

Our mission was to ensure every voice was heard, especially those from seldom-heard communities, and to amplify their input in decision-making processes.

Scotland's diverse geography and varied levels of digital connectivity presented challenges in ensuring all communities were adequately represented in online research. We understood that certain remote areas, socio-economic groups and those aged 75+ are more likely to experience digital exclusion, which can lead to disengagement from traditional survey methods.

Digital exclusion refers to the gap between individuals, households, businesses and communities that have access to modern digital technologies (such as the internet, computers and smartphones) and those who do not. It encompasses both the inability to access digital tools and the lack of skills or confidence to use them effectively.

To mitigate this risk, we did the following:

Quota of face-to-face interviews: Professional market research interviewers conducted in-person interviews in pre-identified priority postcodes in areas where there is likely to be a higher incidence of digital exclusion (i.e. rural, remote, financially deprived regions, aged 75+). Interviews were held in high-footfall locations such as shopping areas, transport hubs, and community centres to address security concerns.

3.5 Fieldwork partners

Alligator Digital are data collection experts, and they were Create Clarity's partners for both the online and face-to-face surveys. Alligator Digital has access to underrepresented customers via specialist panels.

4 Survey design

4.1 Survey content

The survey was carefully designed to ensure the key objectives were met, whilst avoiding significant cognitive burden and complexity to participants. Thorough cognitive testing guided the design of the questionnaire and presentation of the stimulus to ensure comprehension. Survey content was also tested in the form of a quantitative pilot.

4.1.1 Presentation of content

Based on our experience running similar surveys for regulated utilities, we've found that using visuals such as infographics helps explain complex ideas more clearly to participants. We used charts, images, descriptors and infographics throughout the survey to:

- Explain Scottish Water's role and responsibilities in an easy-to-understand way. See figure 1.
- Present investment plans in a clear logical way, giving background, the action and the outcome. See figures 4.1 – 4.7.
- Provide further explanation when necessary, for example as a preamble to the question 'Do you receive a discount on your council tax bill?'

  Just over half of households served by Scottish Water are provided with some form of affordability support - either a discount or exemption, on their council tax bill - for example if they are a student, receive welfare or income related benefits, or if they receive a single person discount.
- Contextualise information to explain bill and inflationary increases, for example:

  To be able to fund their business plan, Scottish Water will need to increase charges by 4% ***above*** *inflation, every year for 6 years between 2027 and 2033. The effect of this on bills is shown below:*

  - *The* ***orange*** *section is the effect of a* ***4% increase every year*** *from Scottish Water*
  - *The* ***purple*** *section is the effect of inflation if the Bank of England's target is met (2%)*
  - *These are shown in proportion to the* ***blue*** *– which is the size of your bill in 2026/27.*

  In the next section you still see what this means for you. Because future inflation is unknown it is not included in what you will see. See figure 6.
- Show responsive calculations linked with customer bills to help customers understand the bill impact, personalised to them. See figure 7.
- Retain participants attention and participation by using innovative and engaging exercises. See figure 8.

4.1.2 Background information on the draft SR27 business plan

We developed the background information on the draft SR27 business plan using a combination of the following:

- Best practice guidance including HM Treasury's Green Book: Central Government Guidance on Appraisal[1] and Ofwat's Evaluation and Guidance for water companies: testing customers' views of the acceptability and affordability of PR24 business plans[2].
- The Business Plan Acceptability Guidebook, developed by Create Clarity for the energy sector. This guidebook was shaped by customer feedback and consisted of a full review of similar studies conducted in the energy and water sectors across the UK.
- Direct customer feedback to the draft SR27 business plan materials gained via twelve cognitive interviews as part of this project. This feedback was sought on both the stimulus materials in isolation as well as once incorporated into the programmed survey. In addition, Scottish Water tested some of the materials with their own online WaterMatters community as part of their drafting process, with their feedback reflected in the final stimulus. You can see the structure we used for presenting the information in the Appendix.

4.2 Survey structure

The survey was structured to capture both informed and uninformed acceptability, assessment of seven investment area propositions and the 'plan on a page', communication amount and content, as well as capturing key performance metrics, screener information and demographics.

Note that the stimulus is provided in more detail in the Appendix.

Structure of the survey

Section	Detail	Overview of stimulus
Screener	Screener questions included gender, age, area, working status, water bill responsibility, decision-making authority (business), water/ waste supply, spend on water (business), council band, business premise (business), occupation, social grade and discount received	
Awareness and knowledge	Awareness of Scottish Water, awareness of supplier (water and waste), trust in Scottish Water	See figure 1. An introduction to what Scottish Water does, what it is responsible for and how it is regulated.

[1] https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020
[2] https://www.ofwat.gov.uk/wp-content/uploads/2023/05/Guidance-Acceptability-and-affordability-of-PR24-business-plans.pdf

Affordability KPIs (plan unseen)	Ability to pay increase Affordability of Scottish Water bill increase Reasonableness of Scottish Water bill increase	See figure 2. An overview of challenges faced by the water sector. See figure 7. Responsive calculations within the survey to show the current bill amount, equivalent annual/monthly increase and percentage increase. See figure 6. A graph showing the impact of a 4% price increase on household bills. See figure 9. Personalised price information provided to customers.
Investment areas	Importance ranking Perceived performance Sentiment to investment proposals Why (very positive or very negative)	See figures 4.1 – 4.7. Infographics showing all seven investment areas including aims and outcomes for each.
Plan on a page KPIs	Sentiment Value for money Reasonable Overall views (open text response)	See figure 5. A summary of the Draft Business Plan for 2027 – 2033.
Communication	Communication amount and content Heard anything positive or negative about Scottish Water, wider sector	
Affordability and ability to pay	Ability to pay bills, length of time struggling, changes in circumstance, changes made, confidence in paying bills in future	
Demographics	Area, ethnicity, number people in household, number of children, health disability, climate change concern, reliability on water (business), sector (business), size of business	

4.3 The development of the stimulus material

The stimulus material development was a collaboration between Scottish Water, Create Clarity, the RAG and customers. Once the draft materials were developed, we used customer feedback to alter and refine in several stages. Customer input was a key part of this development.

The stimulus was developed in a phased approach:

- Draft SR27 business plan materials were provided to Create Clarity who developed the first design.
- This was reviewed and altered by Scottish Water colleagues in consultation with the RAG.
- Five cognitive interviews were conducted with customers, (four HH and one NHH) testing all stimulus materials in isolation. This research tested:
    - Understanding of all stimulus material including contextual information such as background preambles
    - Language used
    - Flow of the information
    - Initial impressions
    - Sticking points – what customers found difficult
    - Cognitive load (areas which required increased effort)
    - Confusing and ambiguous phrasing
    - Feedback and recommendations for changes

Create Clarity reported the findings back to Scottish Water and agreed changes that needed to be made based on customer feedback. This was again shared with the RAG.

There were initial plans to show participants two alternative reference scenarios as a comparison point to the base scenario customers. However, based on customer feedback in cognitive interviews assessing the stimulus, and discussions between Scottish Water and the RAG, it was decided that this was not a key objective or meaningful exercise and would add to the survey length (which was already at maximum capacity). It was therefore not included in the survey instrument.

Using the refined customer feedback, the survey was finalised, incorporating the stimulus. Again, there was a channel of information exchange between Scottish Water, Create Clarity and at key stages Create Clarity joined meetings with the RAG to discuss the design.

Once all parties agreed, the survey was electronically programmed and tested. At this point, we conducted another seven cognitive interviews with five HH and two NHH customers – this time reviewing and observing how they completed the survey. In this stage we observed:

- Points at which customers got stuck
- Any areas they did not understand

- Timings – how long it took the participant and which areas increased the overall the time taken
- Any verbal explanation that was needed
- Customer feedback

The next phase was a pilot study, collecting data from 105 customers (75 HH and 30 NHH). This analysis showed that customers were misinterpreting a question on affordability. This was re-designed and a further pilot study was conducted. This is discussed in greater detail in the pilot section below.

4.4 Presentation of pricing information

The presentation of pricing information for the draft business plan was carefully considered by Create Clarity, Scottish Water, and the RAG, with input from customers during cognitive interviews.

Scottish Water sets charges annually using a CPI+ model and applies the Bank of England's 2% inflation target as a standard business planning assumption. This context makes communicating SR27 charges challenging.

Customers needed to understand:

- Charges increase annually, creating a compounding effect over the six-year period (2027–2033).
- Future inflation rates are unpredictable, so actual bills cannot be shown with certainty.
- Scottish Water controls its own price increases but not CPI.

To address these points, we developed materials illustrating the combined effect of inflation and price rises and tested these with customers in a series of cognitive interviews. Participants highlighted the difficulty of interpreting financial information and called for clarity and simplicity, with comments such as "*People don't understand basic maths, and often don't think in percentages. Actual numbers are easier to understand, but don't over complicate it*". A graphical explanation of inflation was generally understood, but tables showing personalised bill projections were preferred and considered clearer than graphics.

Participants in the cognitive interviews indicated that including inflation in bill projections risked causing confusion, as it made it harder to separate service-related price changes from broader economic factors outside the company's control. They made comments around the fact that they don't know what their pension will be at that time, for example, so including inflation added a further unknown. Those who participated in the cognitive interviews felt a clearer approach therefore was to present bill impacts in real terms (excluding inflation).

To support this approach, participants in the full quantitative survey were provided with a detailed inflation explainer, a graphic showing the proportional cumulative impact of 2%

inflation on charges over time, and reminders throughout the survey that the actual impact of inflation is unknown and will have an additional impact on the bill amount.

Rationale for approach to inflation:

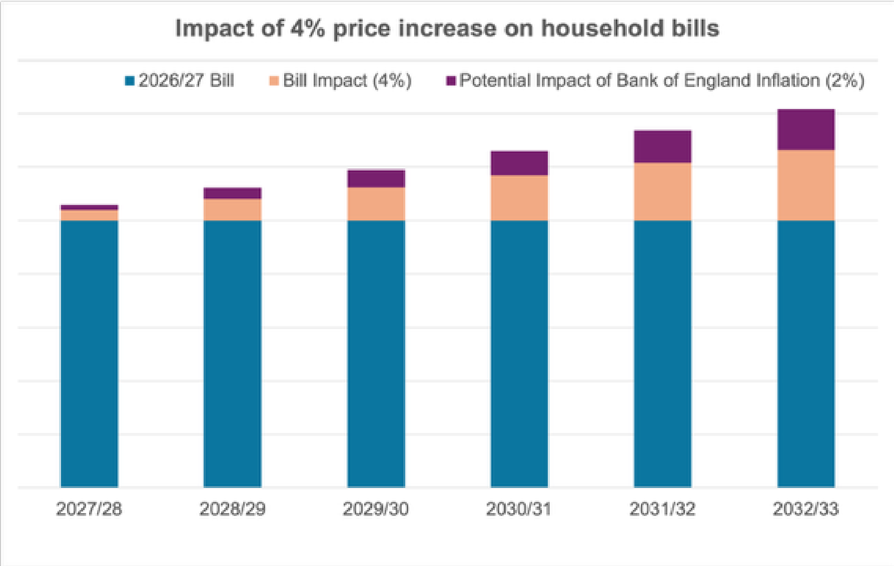
- **Inflation is uncertain**: Although the Bank of England forecast is 2%, the reality is that this can and does change significantly through the effect of policy, economic changes and global shocks.
- **Research focus:** The study aimed to isolate reactions to proposed investment impacts, not views on inflation. Inclusion of inflation makes this isolation exercise difficult as customers try and imagine what and where they will be in seven years' time. In qualitative research conducted by Scottish Water as part of developing the SR27 business plan, when participants were shown two numbers (including and excluding inflation) participants focussed on how much inflation is going to increase from now to 2033, which diverted attention away from the primary objective of understanding customers reactions to the price rise.
- **Comparability:** Real-term figures allow consistent comparison across studies. If inflation is included, the results are only valid for that level and the time the study was undertaken. When scenarios are kept in real terms (constant), it becomes relatively easy to compare performance across multiple studies.
- **Customer clarity:** Including inflation introduces complexity and assumptions about future income, which customers in the cognitive testing found difficult to reconcile (see above). In a quantitative exercise, participants may not assume that their salary/ income will inflate at a similar level, therefore the inflationary price in seven years' time may be difficult to resonate with today. Comparability and clarity are both cited principles in Ofwat's[3] and HM Treasury's[4] guidance.

As a collaborative group it was agreed to provide customers with background information on inflation as follows:

> *Inflation is how much more expensive everyday things like food and services become over time.*
>
> *The Bank of England's goal is to keep inflation at 2%, a target set by the UK Government.*
>
> *As of May 2025, inflation was 3.4%, meaning prices were, on average, 3.4% higher than a year before.*
>
> ***However, no-one can really predict what inflation will do in the future.***
>
> *To be able to fund their business plan, Scottish Water will need to increase charges by 4%* ***above*** *inflation, every year for 6 years between 2027 and 2033. The effect of this on bills is shown below:*
>
> - *The* ***orange*** *section is the effect of a* ***4% increase every year*** *from Scottish Water*
> - *The* ***purple*** *section is the effect of inflation if the Bank of England's target is met (2%)*
> - *These are shown in proportion to the* ***blue*** *– which is the size of your bill in 2026/27.*

[3] https://www.ofwat.gov.uk/wp-content/uploads/2023/05/Guidance-Acceptability-and-affordability-of-PR24-business-plans.pdf
[4] https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government/the-green-book-2020

In the next section you still see what this means for you. Because future inflation is unknown it is not included in what you will see.



Personalised bill information documenting the planned price increase was presented based on customers' current bills (including any discounts) to ensure they viewed price increase information personalised to them and their situation. Customers were shown the personalised charges covering what they are paying now, what they are likely to be paying next year (the exit point of SR21), and the anticipated charges for SR27 (2027 to 2033). Whilst participants in the cognitive testing told us that this was a lot of information, they also found the year-on-year breakdown, personalised to their own situation, helpful. See figure 9 for example of personalised information presented to customers.

The bill information was then presented across the current period and the SR27 period, without inflation. Again, customers were reminded:

Remember – because future inflation is unknown it is not included in what you will see.

This approach aligns with best practice in regulated sectors (energy, transport), where regulatory communications to consumers routinely use real-term figures when testing affordability and acceptability (including guidance from Ofgem[5] and Transport Focus[6]). This avoids confusion between controllable price movements and broader economic factors. There is broad agreement among stakeholders that all price information and underlying assumptions must be presented clearly and transparently, in a way that helps participants understand the drivers of change.

The treatment of inflation builds on the methodology adopted by water companies in England and Wales ahead of Ofwat's PR24 review. Ofwat[7] recommended that "*the effect of inflation should be shown, but presented in a way which clearly distinguishes it from the bill*

[5] https://www.ofgem.gov.uk/sites/default/files/2024-07/RIIO-3_Business_Plan_Guidance.pdf

[6] Principles for Passenger Research (2018/2022 update) and Rail Fares and Ticketing Methodology Guidance (2020)

[7] https://www.ofwat.gov.uk/wp-content/uploads/2023/05/Guidance-Acceptability-and-affordability-of-PR24-business-plans.pdf

changes arising from the proposed business plan, using a bar chart". Building on this for Scottish Water, participants were provided a generalised graph that clearly laid out the price rises, with inflationary impact isolated, then provided clear personalised information relative to participants situation. It's worth noting that in practice, some companies in qualitative PR24 testing either showed inflation separately via bar charts or omitted it from personalised materials to maintain clarity while others followed Ofwat's guidance more closely[8].

HM Treasury's Green Book requires economic assessment to be conducted in real terms to remove the distortionary effect of inflation. While the Green Book's primary focus is not affordability research, this principle is applied consistently across regulated sectors to ensure customers are responding to genuine changes in value rather than inflation assumptions. For example, Ofgem's RIIO guidance requires companies to present costs and bill impacts in constant real prices—where best practice is to conduct customer-facing affordability and acceptability research using constant prices, while reserving inflationary adjustments for internal financial models and regulatory submissions.

In line with this, best practice is to use constant prices for all customer-facing research on affordability and acceptability, while applying inflationary adjustments within internal financial models and regulatory submissions.

4.5 Cognitive testing

Because the research topic was complex and unfamiliar to many customers, cognitive testing was essential.

The first phase of cognitive testing focused on testing the stimulus material. Five customers (four HH and one NHH) reviewed the planned materials and provided feedback on areas that were unclear, confusing, or needed more explanation.

Below is a summary of the key feedback, with changes made to the stimulus material as a result.

Theme	Detail
Language and tone	Use plain English, avoid jargon (severe not extreme, replace 'mitigation" with "reducing/offsetting"). Simplify wording; reduce repetition (for example avoid repeating title in the body text) and minimise technical detail. Use definite phrasing (Scottish Water will instead of plans to).
Numbers and targets	Show percentages or relatable figures (e.g. equivalent annual bill increase, % of water lost) instead of technical units (ML/day, kilotonnes). Keep metrics consistent and give context (baseline comparisons, clear explanations).

[8] Review of PR24 guidance on testing company business plans - CCW

Slides and design	Many slides seen as cluttered/overwhelming; shorten bullets, remove unnecessary bubbles/boxes. Highlight the most meaningful stats (e.g. 10% leakage reduction by 2033). Focus on outcomes in simple, consumer-friendly terms (e.g. maintain >99.9% water quality).
Clarity of aims	Make clear these are focus areas/objectives for 2027–2033. Explain unclear terms (e.g. "working with nature," "capacity for new properties"). Ensure headings and content are aligned and not repetitive.

After the survey was designed and scripted, and the materials refined, a second round of cognitive testing was carried out with seven customers (including two NHH customers). These online interviews, conducted via Teams, observed participants completing the survey. Interviewers assessed comprehension, noted difficulties, checked the clarity of language, recorded completion times, and invited participants to suggest improvements.

Feedback from both phases led to a series of changes to the questionnaire and stimulus materials, improving clarity and accessibility. Observations and themes were summarised in a sheet used for discussion between Create Clarity and Scottish Water. This process resulted in several key refinements to the survey instrument, summarised in the Appendix.

A particular area of focus was stimulus which outlined proposals for internal and external sewer flooding. In both cases, despite significant investment from Scottish Water, the performance does not show an improvement. This was a complex area to explain, and care was taken to explain openly and transparently that Scottish Water would be investing in this area, but overall, the performance by 2033 would not look significantly improved compared to current levels.

4.6 Pilot testing

After making changes based on the cognitive interviews, a pilot survey was conducted with 105 customers (75 HH and 30 NHH). Once responses were collected, fieldwork was paused, and the data was extracted for checking.

The pilot survey evaluated the following:

- **Survey length** – both overall and by section. On survey length, our standard approach is to remove the top and bottom 5% of outliers and calculate the average, while also reviewing the full distribution. Based on this:
  - **The average completion time** was **17 minutes**, although there was a wide standard deviation (some participants much quicker or slower than others).
  - **NHH customers** were taking longer to complete the survey than **HH customers** (20 minutes vs. 17 minutes).

- **Response rate** – assessing whether the survey is reaching the right type of participants and identifying any points of high drop-out or incomplete responses. After the pilot we found all quota groups had been targeted. Quotas were carefully monitored as the study progressed.
- **Participant feedback** – covering perceptions of survey length, ease of completion, ability to express true opinions, and overall experience.

  Customers were asked how satisfied with the survey experience they were based on four criteria and a scale of 1-5 where 1 is very poor and 5 is very good. The percentages below combine ratings of 4 and 5.

    - 88% were satisfied with the length
    - 86% found it easy to complete
    - 91% felt able to express their true opinion
    - 90% were satisfied with the survey overall
    - The feedback indicates that a majority of participants didn't experience technical issues with survey and found it easy to participate and express their true opinion.
- **Flow and logic** – checking whether routing, skip patterns, and question order function as intended. We conducted a question-by-question review of the data, assessing both the number of participants answering each question and the routing logic that directed them there. No errors were identified in the logic.
- **Question performance** – identifying any questions that show unexpected response patterns or cause confusion, and assessing the quality of responses to open-ended questions.
- **Verbatim**
    - Verbatim were generally of a good quality with genuine responses
    - Comments typically referred to views on the level of ambition and specific activities
    - Some responses were vague/ generic e.g. "I trust that they will deliver to their promises" – this is common without the use of an AI prompter, which was used in a key question relating to their views on the plan on the page.
- **Highlighter tool exercise** - Participants were given the "plan on a page" and asked to highlight what they liked, disliked and were neutral about. The pilot analysis was used to assess the engagement with this exercise:
    - 105 people engaged with at least one aspect of the exercise (100%)
        - 103 people highlighted at least one aspect as positive
    - Average of 18 aspects highlighted per person

        - 21 people highlighted at least one aspect as unclear (20%)
    - Average of one aspect highlighted per person
        - 28 people highlighted at least one aspect as negative (27%)
    - Average of two aspects highlighted per person
- **AI Prompter tool** – The AI prompter tool was used to automatically probe participants on open-ended questions. The pilot survey checked this was leading to more specific responses.

Example open ended responses using the AI prompt from pilot

First response	AI prompt	Second response
Sounds positive and reasonable however I think above inflation price rises will be tough to swallow	I understand your concern about price rises. What specific aspects of Scottish Water's plans do you think could help mitigate the impact of those price increases?	Job creation pollution reduction
It looks quite good but don't trust them to fulfil obligation	What specific aspects of their plans do you find promising, and what makes you feel uncertain about their ability to deliver?	Flooding continually in same places
It’s ambitious and I understand the cost required. I trust them and am grateful for them. I’m glad it is a public body	It's great to hear that you have trust in them. What specific aspects of their plans do you find most promising or beneficial for the community?	The fact that they want to bring the numbers down on sewage spills and I love their ambition for net zero

- **Data integrity** – ensuring all responses are captured correctly, including multi-select options and routing logic.

4.6.1 Updates to the questionnaire after piloting

After analysing the pilot data, we made significant changes to the question assessing customers’ initial views on what level of bill increase they considered affordable. This was an uninformed view, given by customers before they had received any information about the proposed price increase or the improvement initiatives.

Customers were reminded of their current bill amount (based on their council tax band or for businesses their bill size). However, we found that the question was often misinterpreted, particularly by customers who either did not want any increase at all or who already struggled to afford their current bill. In addition, because the question was open-ended free text, some participants entered unrealistic figures. This suggested a misunderstanding of what we were trying to measure and highlighted the need to set clearer boundaries.

The following changes were made:

- Inclusion of bolding i.e. …. "What would be the **highest total bill amount** that you think…"
- We automatically generated:
    - Their current bill
    - The equivalent annual increase
    - The equivalent monthly increase
    - The equivalent percentage increase
- We used programming to prevent customers from saying *less* than their current bill, instead we put a check box in:

  "I cannot afford to pay my current bill amount so I could not pay any more"
- Customers who said they couldn't afford to pay more were asked:

  "You said you cannot afford your current bill of ***[ ]****, what is the maximum total bill per year could you afford to pay?"*

4.6.2 Re-piloting

Because this question had some significant changes, we launched the survey again and checked the results. We found no evidence that customers were misinterpreting the question so continued. We did not include the customers from the first pilot study in the final results.

5 Sample Characteristics

5.1 Data weighting

The results of the study need to be applicable to the Scottish Water customer base to be meaningful. Quotas were set for the HH sample during interviewing to ensure the sample characteristics (i.e. age, gender, social grade and council band) were within 5% of the population of Scotland. To improve representation of the population further, the data was weighted.

Weighting is standard practice in research. Results are weighted to reflect the population proportions as found on the census. This ensures that conclusions made from the sample can be inferred on to the population of Scotland.

After weighting was applied, the difference between the weighted sample and the target was minimal, except for two categories – social grade DE and 65+ years. This was because we conducted 100 face-to-face interviews which deliberately targeted underrepresented customers, of which social grade DE and older age were amongst these. Consequently, weighting of 4% and 5% respectively was required to bring these demographics back in line with the target population.

Targets versus weighted survey data

	TARGETS	WEIGHTED	DIFFERENCE
GENDER			
Male	49%	48%	-1%
Female	51%	52%	1%
AGE			
16 – 24 years old	13%	13%	0%
25 – 34 years old	15%	14%	-1%
35 – 44 years old	15%	14%	-1%
45 – 54 years old	16%	15%	-1%
55 – 64 years old	17%	16%	-1%
65 +	24%	28%	4%
REGION			
Aberdeen and Aberdeenshire	9%	8%	-1%
Angus, Dundee, Perth, Kinross, Stirling	10%	10%	0%
Clackmannanshire, Fife, Falkirk	11%	10%	-1%
Dumfries & Galloway	3%	4%	1%
Argyll and Bute, East Dunbartonshire, West Dunbartonshire	5%	6%	1%
East Ayrshire, North Ayrshire, South Ayrshire	7%	8%	1%
East Lothian, Midlothian, West Lothian	7%	6%	-1%
East Renfrewshire, Renfrewshire	5%	5%	0%
Inverclyde	1%	2%	1%

Edinburgh	9%	8%	-1%
Glasgow	11%	12%	1%
North Lanarkshire, South Lanarkshire	12%	11%	-1%
Orkney Islands, Shetland Islands, Eilean Siar	1%	1%	0%
Scottish Borders	2%	2%	0%
Highlands (Inverness, Nairn, Moray, Strathspey)	6%	7%	1%
SOCIAL GRADE			
AB	21%	19%	-2%
C1	35%	32%	-3%
C2	21%	19%	-2%
DE	23%	28%	5%
COUNCIL TAX BAND			
A	20%	22%	2%
B	22%	21%	-1%
C	16%	17%	1%
D	14%	13%	-1%
E	14%	12%	-2%
F	8%	7%	-1%
G	5%	5%	0%
H	1%	1%	0%

6 Findings

6.1 Affordability

6.1.1 Objectives

Given the ongoing challenges in the financial climate, it was essential to gain a deeper understanding of customers' perceptions regarding the affordability of proposed bill increases.

The research aimed to explore:

- **Customers' financial circumstances** and the factors influencing them, to assess how these might shape their views on the proposed increases.
- **Unprompted perceptions** of whether paying a rise in water bills was feasible, and if so, what level of increase would be considered acceptable.
- **Reactions to the proposed bill increase**, tailored to each participant's personal situation. The objective was to evaluate this both *before* and *after* participants were presented with information about the draft SR27 business plan initiatives.

6.1.2 Questionnaire content

Affordability questions explored whether customers can pay all their bills, if they are struggling, and if they have had to change their lifestyle due to affordability concerns. This provided context on how customers view the plan and their reactions to proposed price increases.

The questions used were developed by Create Clarity in partnership with Citizens Advice to ensure they assess customers' financial situations sensitively.

Questions included:

- Household income
- Financial vulnerability, length of time
- Changes in circumstances making paying bills more difficult
- Lifestyle changes
- Confidence in future bill paying

Throughout the survey, to assess reactions to bill pricing and affordability, the pricing and discounts shown were determined by participants' council tax band (for HH) or business bill size (both of which were provided by the participant).

Ability to afford increase: To assess customers' perceived ability to afford a price increase an open question was included, as used and validated in Scottish Water's ongoing Charges research.

Customers were given background information on the long-term challenges faced by Scottish Water and need for a business plan, and the reason bills increase over the pricing period. See figure 2.

Customers were then asked if they could afford an increase in their water bills and, if so, how much. To support this, they were presented with:

- Their current bill based on their council tax band
- The equivalent annual increase
- The equivalent monthly increase (auto populated)
- The equivalent percentage increase (auto populated)

Customers could also elect to pay a decrease if they couldn't afford their current bill. See figure 7.

Inflation: Customers were shown personalised information about the proposed price increase for the draft SR27 business plan. This increase was presented in real terms—excluding inflation—to ensure clarity and focus on Scottish Water's direct contribution and planned investment. See section 4.4 Inclusion of inflation in pricing information presented for more detail.

Prior to this, participants were provided with contextual information about inflation to help them interpret the figures accurately. This approach was designed to minimise confusion and isolate perceptions of the proposed changes from broader economic factors. It aligns with the methodology adopted by water companies in England and Wales ahead of PR24.

Customers were:

- Given a description of what inflation is
- Given a description of total increased charges (i.e. current bill, Scottish Water increase of 4%, inflation of 2%)
- Shown a bar chart depicting what the effect of inflation would be (see stimulus 3.)

Customers then reviewed a seven-year bill projection based on their current bill, council tax band, and any discounts. While the figures excluded inflation, customers were reminded that inflation would apply. This method was also validated by feedback from the cognitive pilot. See figure 9.

KPI questions were determined in conjunction with Scottish Water and through discussion with the RAG.

Questions included:

- Affordability of the bill increase (four-point rating scale) with an additional 'don't know' option. Don't know responses were excluded from the mean. Our energy sector review on acceptability scales identified that participants who answer 'don't know' could bias the mean score, if included.

Affordability – Plan information not seen

Question wording	Thinking about how [**DOMESTIC:** your income / **BUSINESS:** your business' financial situation] may change in the future, how affordable would this bill level be?				
5-point scale	Very affordable	Fairly affordable	Not very affordable	Not affordable at all	Don't know

- Reasonableness of the price rise (five-point rating scale) – did not include a 'don't know' option but included a 'neither'.

Reasonable – Plan information not seen

Question wording	Given everything you have seen, overall how reasonable is this price rise to you?				
5-point scale	Yes, very reasonable	Yes, somewhat reasonable	Neither reasonable nor unreasonable	No, somewhat unreasonable	No, very unreasonable

6.1.3 Results

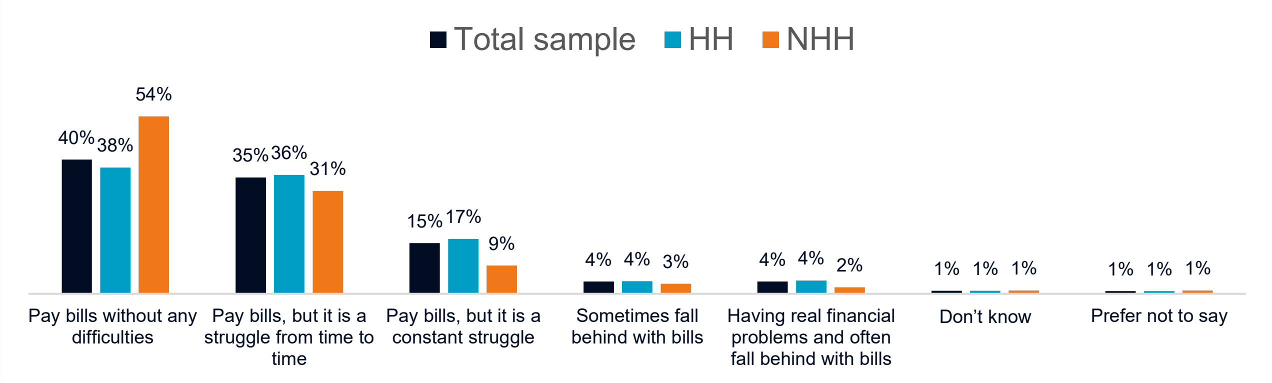
Key findings

- **Customers are struggling** – 61% of HH customers and 45% of NHH customers struggle to pay their household/business bills (including council tax bill/ business rates, energy bills, water bills), at least occasionally (80% for financially vulnerable and 45% for NHH). For 25% of HH customers, paying bills is a constant struggle or worse.
- **HH customers state ability to pay bills** is most affected by the rising cost of living, which 72% of HH customers say has had an influence on their financial situation. 71% of HH customers have cut back on non-essential items and 44% on essential items.
- **No boundaries bill affordability** - When asked (without further context) what the highest amount they could afford per year for water services is, 73% of HH customers could afford to pay more for their bill (82% for NHH). The median increase across all customers is 10% (HH = 9%, NHH = 20%).
- **Price rise before seeing the draft plan information - 48% of HH customers feel the price rise is unaffordable** (NHH = 20%) and 48% find it affordable (NHH = 80%).
- **Reasonableness before seeing the draft plan information - 44% of HH customers feel the price rise is reasonable**, and 74% of NHH customers. 26% of HH financially vulnerable customers (earning less than £12,000 per year) feel the price rise is very unreasonable (13% HH).

Situation with paying bills

61% of HH customers and 45% of NHH customers struggle to pay their household/business bills (including council tax bill/ business rates, energy bills, water bills), at least occasionally. For 25% of HH customers paying bills is a constant struggle or worse.

Bill paying situation



A2. Which one of the following statements best describes your [BUSINESS: business's] situation with paying your [DOMESTIC household / BUSINESS business] bills for example [DOMESTIC: council tax bill/ BUSINESS: business rates], energy bills, water bills? Total sample: 1265, HH: 1065, NHH: 200

Segment differences

- Customers **65+ years** are more likely to be able to pay their bills without any difficulties (56% v 38% HH).
- Customers who are **financially vulnerable** (earn less than £12,000 per year) are more likely to have a constant struggle (28% v 17% HH) or fall behind sometimes or often (22% v 8% HH). They are also not confident of paying their bill in the next 12 months (38% v 17% HH).
- Those who **receive no discount** on their water bills are more likely to pay bills without difficulty (45% v 38% HH) and are confident of paying bills in the next 12 months (84% v 77% HH).
- Customers **receiving a 35% discount** are more likely to sometimes fall behind with bills (10% v 4% HH) and have no confidence they can pay their bill in the next 12 months (31% v 17% HH).
- There is no significant difference across **council tax band** on affordability, with the exception of Band A, who are less likely to pay bills without difficulty (28% v 38% HH) or be confident of paying in next 12 months (69% v 77% HH).

Bill paying situation by council tax band

COUNCIL TAX BAND										
	Total HH sample	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Don't pay /student

Sample size	1065	204	179	247	207	114	53	42	7	12
Whether they struggle to pay bills										
Pay bills without any difficulties	38%	28%↓	38%	33%	42%	46%	49%	52%	61%	33%
Pay bills, but it is a struggle from time to time	36%	35%	34%	43%	33%	29%	46%	36%	28%	25%
Pay bills, but it is a constant struggle	17%	22%	16%	17%	17%	19%	6%	6%	10%	8%
Sometimes fall behind with bills	4%	7%	4%	4%	4%	1%	0%	0%	0%	0%
Real financial problems, often fall behind with bills	4%	6%	4%	3%	4%	4%	0%	6%	0%	8%
Don't know	1%	2%	1%	1%	0%	0%	0%	0%	0%	25%↑
Prefer not to say	1%	0%	2%	0%	1%	1%	0%	0%	0%	0%
Whether confident can pay bills in next 12 months										
Yes	77%	69% ↓	77%	74%	78%	82%	95%↑	85%	100%	67%
No	17%	22%	20%	17%	14%	16%	5%↓	13%	0%	8%
Prefer not to say	6%	8%	3%	9%	8%	3%	0%	2%	0%	25% ↑

A2. Which one of the following statements best describes your [BUSINESS: business's] situation with paying your [DOMESTIC household / BUSINESS business] bills for example [DOMESTIC: council tax bill/ BUSINESS: business rates], energy bills, water bills? Total sample: HH: 1065

Key: Red ↓ significantly lower. Green ↑ significantly higher

Ability to pay bills is most affected by the rising cost of living, with 71% having cut back on non-essential items and 44% on essential items.

Factors negatively impacting financial situation (prompted)		**Lifestyle changes made due to financial situation (prompted)**	
Rising cost of living (e.g. food, energy, fuel)	72%	Cut back on non-essentials (e.g. holidays)	71%

Unexpected expenses (e.g. medical bills)	29%	Cut back on essentials (e.g. food, gas)	44%
Housing costs (e.g. increased rent / mortgage)	29%	Sought help or support (e.g. food bank)	16%
Debt or loan repayments	20%	Taken on more work (e.g. extra work hours)	15%
Job loss or reduced working	19%	Housing changes (e.g. moved house)	7%
Increased family or care responsibilities	11%		
Benefit delays or changes	9%		

Whether can afford to pay more

Before being shown any information about the proposed bill increase, customers were asked via an open-ended question what the highest amount they could afford to pay annually for water services would be. Overall, **75%** said they could afford to pay more (73% of HH customers vs. 82% of NHH customers). The **median increase** across all customers was approximately **10%** (9% for HH and 20% for NHH).

Ability to pay more

	Total	HH	NHH
Need a decrease	**10%** Median 60%	**10%** Median 66%	**9%** Median 33%
Need to stay the same	**15%**	**17%**	**9%**
Can afford an increase	**75%**	**73%**	**82%**
Median increase across all customers	**10%**	**9%**	**20%**
Median increase all customers who can afford an increase	**15%**	**14%**	**28%**
Mean increase across all customers	**26%**	**23%**	**43%**
Mean increase across all customers who can afford an increase	**43%**	**40%**	**56%**

R1. Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase. Considering everything you have heard so far, and [QHIDDOMESTIC your own personal circumstances [QHIDBUSINESS: your businesses circumstances], what would be the highest total bill amount that you think [QHIDDOMESTIC you [QHIDBUSINESS: your business] could afford to pay per year? Total sample: 1264, HH: 1065, NHH: 199

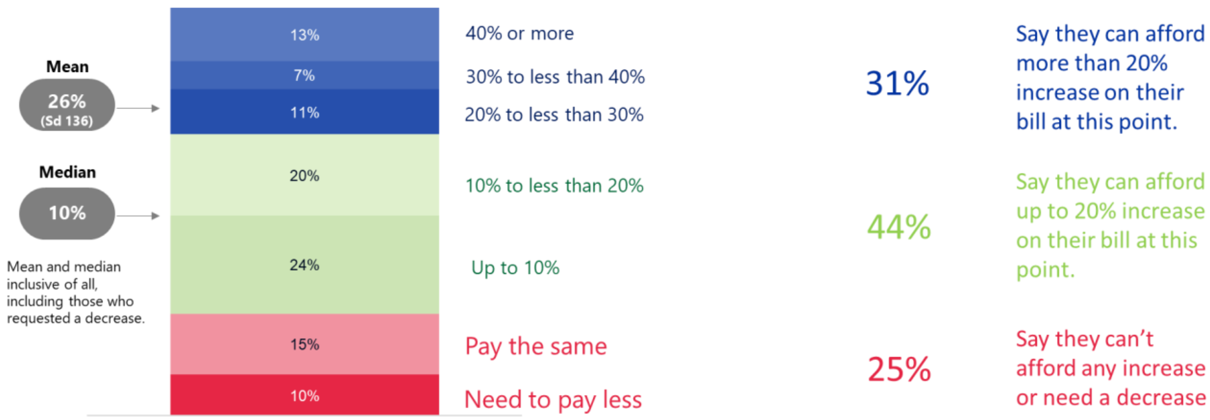
Customers were split into 'decrease' (and by how much), 'stay the same' and 'increase' (and by how much). For greater transparency of interpretation, the median and the mean have both been calculated two ways for each segment - across all customers and across all customers who can afford an increase (i.e. more than a 0% increase). Our recommendation is to use the figures for <u>all customers</u> in that segment as including those who need to stay the same or have a further discount is more representative of Scottish Water customers.

It should also be noted that this was an 'unboundaried' cold view of affordability that was asked before participants saw any draft investment proposals. Participants were told their current charges (based on council tax band for HH customers) and asked how much more they could pay. While the question aimed to minimise bias, responses likely overstate true affordability because participants were free to speculate without facing actual payment. As no information had been provided about the draft SR27 business plan at this point, the median of 10% cannot be read as being in relation to Scottish Waters plans for SR27 or that time period. The purpose of this question was to provide a general snapshot of current affordability perceptions, not a measure of willingness to pay.

The information below shows the overall distribution of cited affordability. All customers are included, customers in the red portion of the bar (25% of HH and NHH customers) say they cannot afford to pay any more, or in fact need a decrease. Of the 75% of HH and NHH customers that say they could afford more, 44% can afford up to 20% increase with the remaining 31% saying they can afford more than 20% increase. This a benchmark view and does not incorporate any details on what customers are paying more for, or personal changes in the future (such as loss of job). It should be reiterated that it represents current perceptions and not what customers will actually pay in the future.

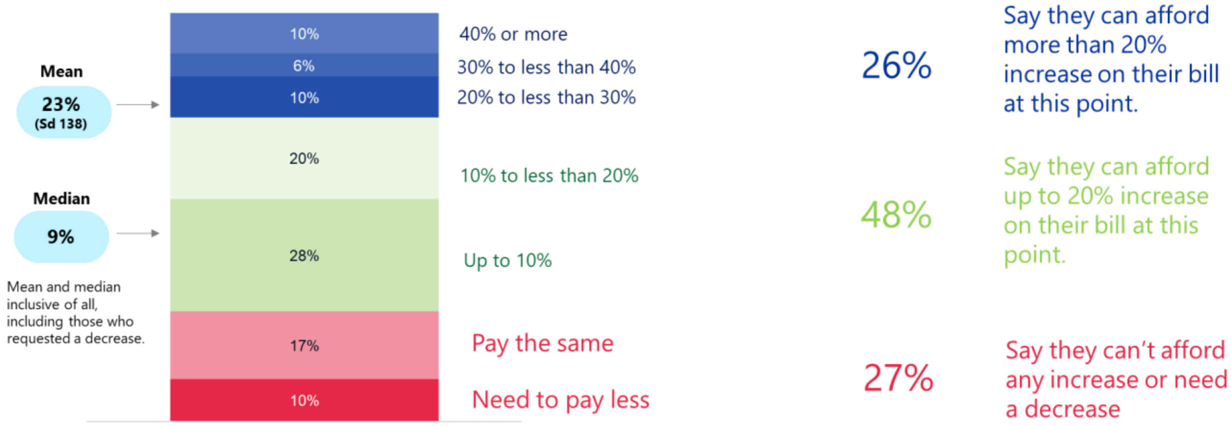
Highest increase in bill customers can afford (not seen draft plan information)

HH and NHH I customers



R1. Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase. Considering everything you have heard so far, and [QHIDDOMESTIC your own personal circumstances [QHIDBUSINESS: your businesses circumstances], what would be the highest total bill amount that you think [QHIDDOMESTIC you [QHIDBUSINESS: your business] could afford to pay per year? Total sample: 1264, HH: 1065, NHH: 199

Highest increase in bill customers can afford (not seen draft plan information) HH customers



R1. Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase. Considering everything you have heard so far, and your own personal circumstances, what would be the highest total bill amount that you think you could afford to pay per year? HH: 1065

27% of HH customers say they can't afford to pay any increase or need a decrease. The median increase HH customers say they can afford is 9% (calculated including those who need a decrease/need bills to stay the same).

HH customers who are currently struggling to pay their household bills are significantly more likely to say they need to pay less (27% vs 10% total HH) or can only afford to pay what they are currently paying (24% vs 17% total) Customers who currently pay bills without any difficulties are significantly more likely to say that can afford an increase over 20% (38% vs 26% total HH).

Highest increase in bill HH customers can afford (not seen draft plan information) versus bill paying situation HH customers.

		Current bill paying situation		
		Constant struggle (or worse)	**Struggle from time to time**	**Pay without any difficulties**
Ability to pay more	Need to pay less	27% ↑	8%	2% ↓
	Can afford the same as I am currently paying	24% ↑	21% ↑	10% ↓
	Can afford increase up to 20%	37% ↓	51%	51%
	Can afford increase over 20%	12% ↓	20% ↓	38% ↑
	Base	**241**	**372**	**437**

R1. Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase. Considering everything you have heard so far, and [QHIDDOMESTIC your own personal circumstances [QHIDBUSINESS: your businesses circumstances], what would be the highest total bill amount that you think [QHIDDOMESTIC you [QHIDBUSINESS: your business] could afford to pay per year? A2. Which one of the following statements best describes your [BUSINESS: business's] situation with paying your [DOMESTIC household / BUSINESS business] bills for example [DOMESTIC: council tax bill/ BUSINESS: business rates], energy bills, water bills? Base: As indicated

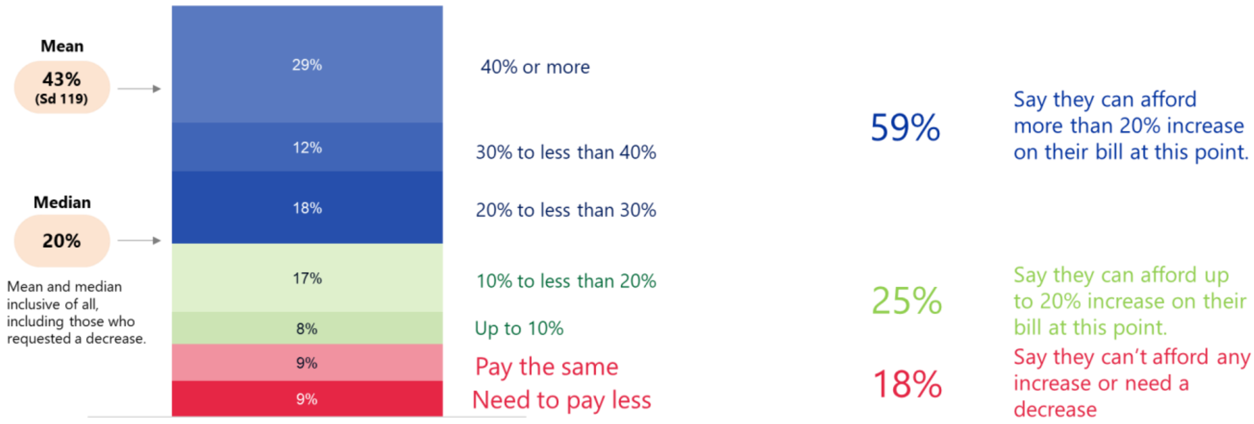
Key: Red significantly lower than average. Green ↑ significantly higher than average.

Segment differences

- Customers who **receive no discount** are more likely to say they can afford less than 10% increase (36% v 27% total HH sample) and those who receive a **35% discount** are more likely to say they can't afford an increase or need to pay less (21% v 10% total HH sample).
- **Financially vulnerable customers** were significantly less likely to say they could afford 20-30% more increase (2% v 10% total HH sample).
- There are some variations across **council tax band** – Band H and Band E are more likely to say they can only afford up to 10% more increase (74%, 42% v 27% total HH sample).
  - Among **Band A** customers, 17% said they could pay a 40% or more increase (10% total HH sample) though 25% said they can only afford what they are paying (17% total HH sample).
- **One person households** are more likely to only afford what they are paying (23% v 17% total HH sample).

Highest increase in bill customers can afford (not seen plan information)

NHH customers



R1. Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase. Considering everything you have heard so far, and your businesses circumstances, what would be the highest total bill amount that you think your business could afford to pay per year? NHH: 199

18% of NHH customers say they can't afford to pay any increase or need a decrease. The median increase NHH customers say they can afford is 20% (calculated including those who need a decrease/need bills to stay the same).

NHH customers who are currently struggling to pay their business bills are significantly more likely to say they need to pay less (26% vs 18% total NHH). NHH customers who currently pay bills without any difficulties are significantly more likely to say that they can afford an increase over 20% (67% vs 59% total HH).

Highest increase in bill NHH customers can afford (not seen draft plan information) versus bill paying situation NHH customers.

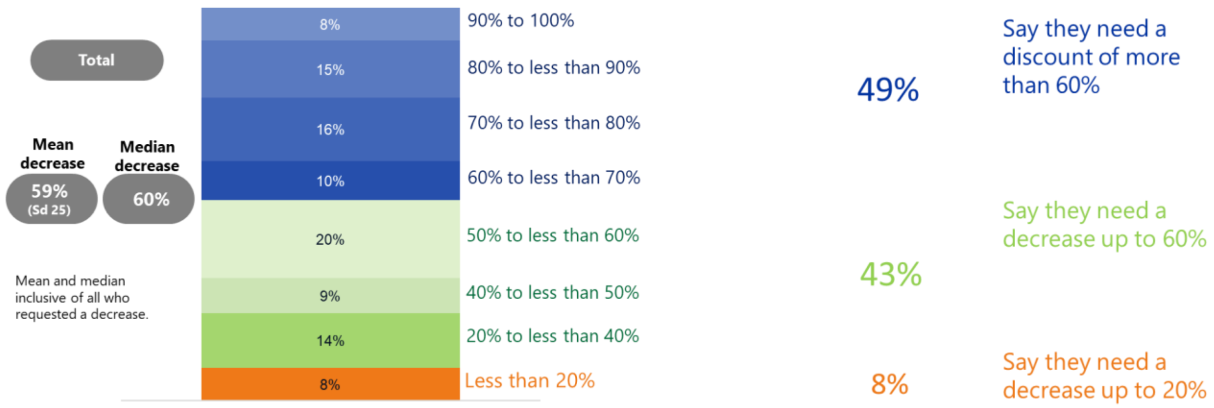
		Current bill paying situation		
		Constant struggle (or worse)	**Struggle from time to time**	**Pay bills without any difficulties**
Ability to pay more	Need to pay less	26% ↑	10%	4% ↓
	Can afford the same as I am currently paying	11%	6%	9%
	Can afford increase up to 20%	15%	39% ↑	20%
	Can afford increase over 20%	48%	45%	67% ↑
	Base	**27* (small base)**	**62**	**107**

R1. Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase. Considering everything you have heard so far, and [QHIDDOMESTIC your own personal circumstances [QHIDBUSINESS: your businesses circumstances], what would be the highest total bill amount that you think [QHIDDOMESTIC you [QHIDBUSINESS: your business] could afford to pay per year? A2. Which one of the following statements best describes your [BUSINESS: business's] situation with paying your [DOMESTIC household / BUSINESS business] bills for example [DOMESTIC: council tax bill/ BUSINESS: business rates], energy bills, water bills? Base: As indicated

Key: Red ↓ significantly lower. Green ↑ significantly higher

Not all customers could afford their current bill. Across all HH and NHH customers, 10% said they needed a decrease. Of these 10%, almost half (49%) need a discount of 60% or more.

Decrease required by customers to be able to afford bill (not seen plan information) HH and NHH customers



R1. You said you cannot afford your current bill of [INSERT QHIDBILLVALUEDISC OR IF N/A QHIDBILLVALUE], what is the maximum total bill per year could you afford to pay? ENTER WHOLE VALUE. MUST BE LESS THAN QHIDBILLVALUE/ QHIDBILLVALUEDISC Total sample: 123, HH: 105, NHH: **18 small base**

Affordability of price rise (Not seen plan info)

Once customers had been provided with information about their personalised bill increases, we asked customers how **affordable** they considered the price rise to be. This was prior to seeing the draft SR27 business plan.

Their responses indicated differences between HH and NHH customers. 48% of HH customers feel the price rise is unaffordable (NHH = 20%) and 48% of HH customers find it affordable (NHH = 80%). These figures are based on top 2 box and bottom 2 box scores.

Affordability of price rise (Not seen plan info)

R2. Thinking about how [DOMESTIC: your income / BUSINESS: your business' financial situation] may change in the future, how affordable would this bill level be?
Total sample: 1265, HH: 1065, NHH: 200

Segment differences

- Financially vulnerable customers and those age 45-54 are significantly more likely to feel the price rise is 'not affordable at all' (36% for financially vulnerable and 35% for age 45-54 vs 20% total HH sample).
- Those aged 65+ are less likely to see the price rise as 'not affordable at all' (13% v 20% total HH sample).
- There are no significant differences by council tax band or discount received by customers perception of affordability. This suggests the notion of affordability is a complex one and is not determined by council tax band or the discount received.
- There were also no significant differences by urban/ rural or household size.

Affordability by council tax band HH customers

		COUNCIL TAX BAND								
	Total HH sample	**Band A**	**Band B**	**Band C**	**Band D**	**Band E**	**Band F**	**Band G**	**Band H**	**None (student)**
Top 2 box (very / fairly affordable)	48%	51%	53%	43%	49%	43%	44%	41%	26%	33%
Bottom 2 box (Not very / not affordable at all)	48%	43%	44%	52%	49%	52%	52%	55%	75%	59%

Base	**1065**	**204**	**179**	**247**	**207**	**114**	**53**	**42 (small base)**	**7 (small base)**	**12 (small base)**

R2. Thinking about how your income may change in the future, how affordable would this bill level be?

Affordability by discount received HH customers

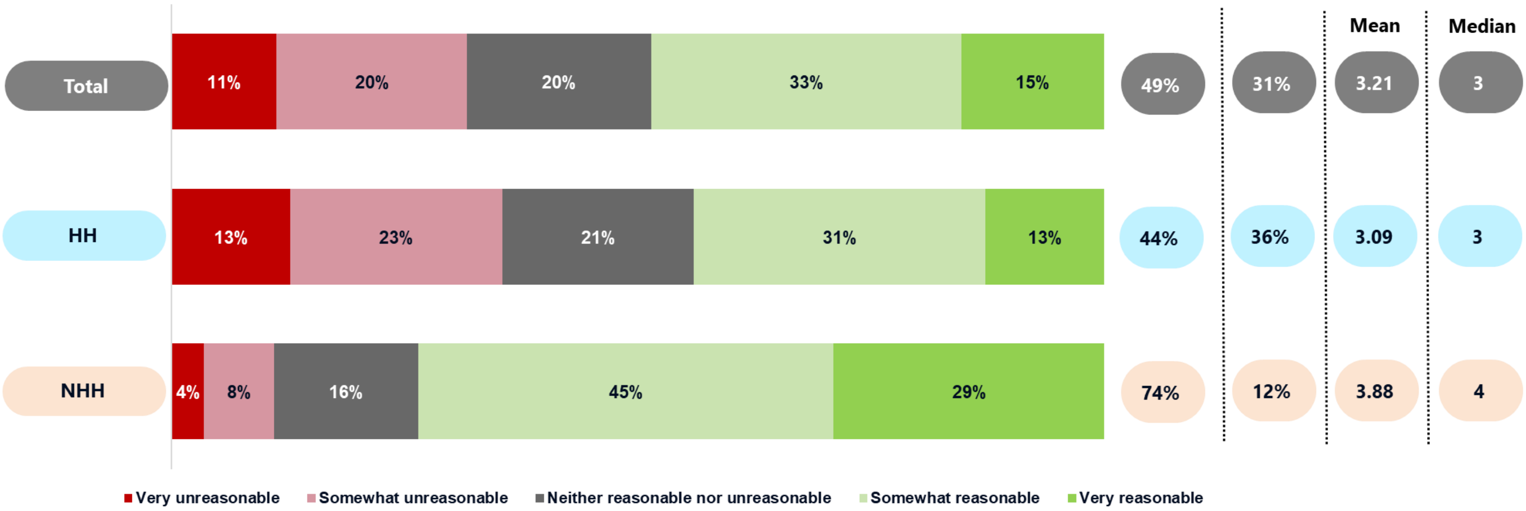
		DISCOUNT RECEIVED			
	Total HH sample	**25%**	**35%**	**100%**	**No discount**
Top 2 box (very / fairly affordable)	48%	52%	49%	59%	44%
Bottom 2 box (Not very / not affordable at all)	48%	45%	44%	37%	53%
Sample size	**1065**	**316**	**155**	**26 (small base)**	**568**

R2. Thinking about how your income may change in the future, how affordable would this bill level be?

How reasonable the price rise is to you (not seen plan info)

How **reasonable** the price rise is (before seeing the SR27 draft business plan) provides similar feedback. 44% of HH customers feel it is reasonable, and 74% of NHH customers think it is reasonable. There is a degree of ambivalence, with 21% of HH and 16% of NHH stating that the price rise is neither reasonable nor unreasonable. Rejection is highest among HH customers, with 36% saying that the price rise is either somewhat or very unreasonable.

How reasonable the price rise is to you (not seen plan info) – HH and NHH customers



R3. Given everything you have seen, overall, how reasonable is this price rise to you? Total sample: 1265, HH: 1065, NHH: 200

Segment differences

- Financially vulnerable customers are significantly more likely to feel the price rise is very unreasonable (26% versus 13% total HH sample).

- Those aged 16-24 are significantly more likely to believe this is very reasonable (26% versus 13% total HH sample.

There is a strong correlation between perceptions of affordability of bill increase and whether the increase is seen as reasonable for both HH and NHH customers.

Affordability by reasonable – HH and NHH customers

How affordable would this bill level be?

How reasonable would this bill level be?	Not affordable at all	Not very affordable	Fairly affordable	Very affordable
No, very unreasonable	55% ↑	5% ↓	0% ↓	0% ↓
No, somewhat unreasonable	36% ↑	46% ↑	4% ↓	0% ↓
Neither	7% ↓	33% ↑	17%	4% ↓
Yes, somewhat reasonable	1% ↓	17% ↓	64% ↑	24% ↓
Yes, very reasonable	0% ↓	0% ↓	15%	72% ↑

67% who find the bill increase unaffordable also see it as unreasonable (23% select neither)

83% who find the bill increase affordable also see it as reasonable

R2. Thinking about how [DOMESTIC: your income / BUSINESS: your business' financial situation] may change in the future, how affordable would this bill level be? R3. Given everything you have seen, overall, how reasonable is this price rise to you?
Total sample: 1265, HH: 1065, NHH: 200
Key: Red ↓ significantly lower than average. Green ↑ significantly higher than average.

Affordability by reasonable – HH customers

How affordable would this bill level be?

How reasonable would this bill level be?	Not affordable at all	Not very affordable	Fairly affordable	Very affordable
No, very unreasonable	55% ↑	5% ↓	0% ↓	0% ↓
No, somewhat unreasonable	36% ↑	46% ↑	5% ↓	0% ↓
Neither	8% ↓	32% ↑	17%	4% ↓
Yes, somewhat reasonable	1% ↓	17% ↓	63% ↑	24% ↓
Yes, very reasonable	0% ↓	0% ↓	15%	72% ↑

68% who find the bill increase unaffordable also see it as unreasonable (22% select neither)

81% who find the bill increase affordable also see it as reasonable

R2. Thinking about how [DOMESTIC: your income / BUSINESS: your business' financial situation] may change in the future, how affordable would this bill level be? R3. Given everything you have seen, overall, how reasonable is this price rise to you?
Total sample: HH: 1065, Key: Red ↓ significantly lower. Green ↑ significantly higher

Affordability by reasonable – NHH customers

How affordable would this bill level be?

How reasonable would this bill level be?	Not affordable at all	Not very affordable	Fairly affordable	Very affordable
No, very unreasonable	63% ↑	6%	0% ↓	0%
No, somewhat unreasonable	38% ↑	38% ↑	0% ↓	0% ↓
Neither	0%	41% ↑	15%	5% ↓
Yes, somewhat reasonable	0% ↓	16% ↓	69% ↑	24% ↓
Yes, very reasonable	0%	0% ↓	16% ↓	71% ↑

55% who find the bill increase unaffordable also see it as unreasonable (33% select neither)

89% who find the bill increase affordable also see it as reasonable

R2. Thinking about how [DOMESTIC: your income / BUSINESS: your business' financial situation] may change in the future, how affordable would this bill level be? R3. Given everything you have seen, overall, how reasonable is this price rise to you?
Total sample: NHH: 200, Key: Red ↓ significantly lower. Green ↑ significantly higher

6.2 Investment areas

6.2.1 Objectives

The overarching research objective was to understand representative customer perceptions of the draft SR27 business plan investment scenario and associated costs.

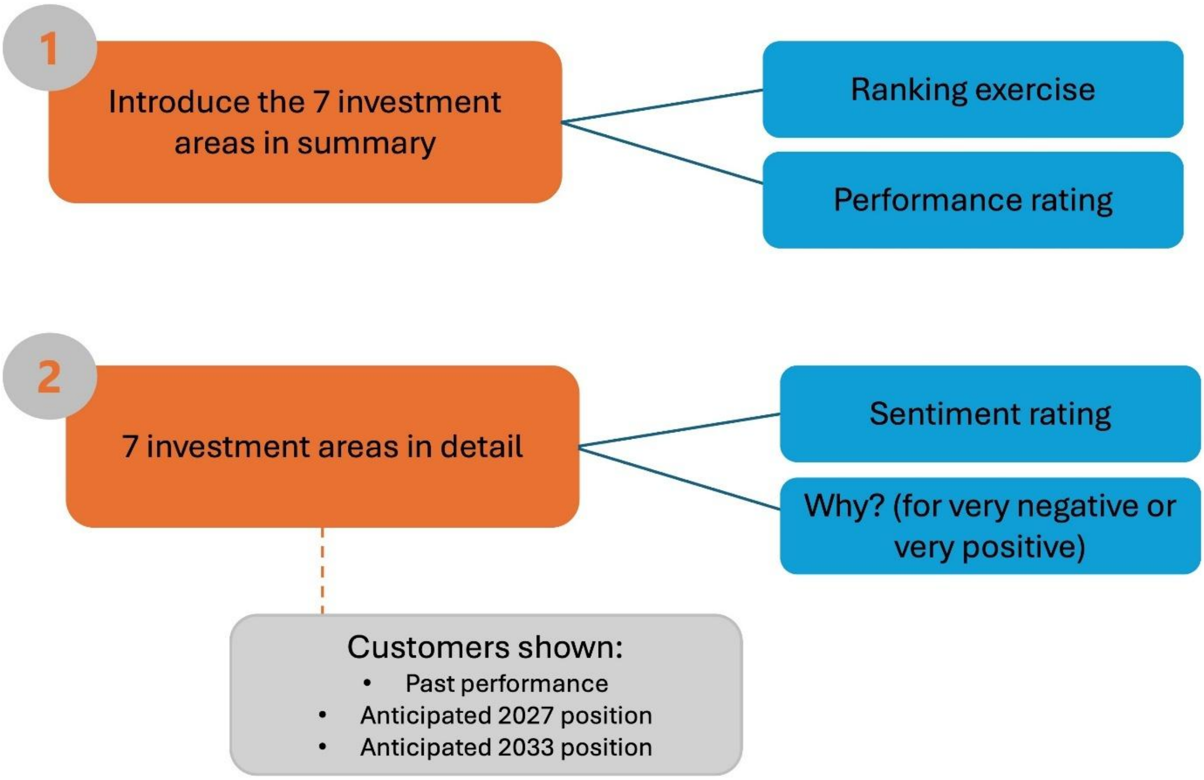
The central section of the customer survey covered customer perceptions of seven investment propositions. Engagement sought to understand importance, sentiment and perception of draft plans across different investment areas. A key question to be answered was – how is the proposed SR27 business plan investment scenario perceived among customers?

6.2.2 Questionnaire content

This involved significant collaboration between Create Clarity and Scottish Water with ongoing discussion and input with the RAG to support the content of the stimulus information about the investment areas to be presented. Multiple refinements to the stimulus were made, based on feedback and observation from HH and NHH participants recruited to test the materials before the main data collection phase.

The following diagram outlines what was included in the investment section in summary:

Investment section content



Phase 1: Summary of investment areas

Customers were shown summaries of the seven investment areas included in the survey.

Investment area	Summary explanation
Drinking water quality	Maintain high quality drinking water from customers' taps
Reliable supply of water	Maintain a continuous supply of drinking water
Reducing leakage	Making sure drinking water is not lost from leaky pipes on its way to customers
Reducing environmental pollution and spills	Preventing waste water (sewage) that has not been safely treated from entering the environment
Internal sewer flooding	Making sure that waste water (sewage) does not come back up through sinks and toilets causing flooding inside customers' properties

External sewer flooding	Making sure waste water (sewage) does not escape the sewer network outside of properties causing flooding in gardens or roads
Carbon footprint	The carbon emissions that come from Scottish Water's operations and construction works

Participants were asked to rank which were most important to them and to rate Scottish Water's current performance in each area (based purely on the information provided).

Questions included:

- **Importance ranking** – Customers reviewed the 7 investment areas and dragged them into order from 'Most important' to 'Least important'.
- **Performance** - A 10-point performance scale ('Very badly' to 'Very well') was used to gauge current perception of performance (in the absence of more detailed information).

Phase 2: Detailed investment areas

Customers were then presented with the seven investment proposals in detail. Each proposal presented the following:

- Topic header
- Background information
- Plans between 2027 and 2033
- Expected outcome after investment – contextualised with performance measures across time periods

The seven investment areas can be viewed in more detail in the Appendix.

Expected outcome

Customers were presented with the expected outcome for both 2027 and 2033, along with current performance. This was represented in the blue circles at the bottom of each investment area stimulus. Four of the investment areas showed an improvement – for example the 'reducing leakage' investment showed an improvement from 455ML lost per day to 448ML and finally 400ML. One investment area showed a 'stay the same/ marginal' improvement and two investment areas presented a declining performance. In these cases, although investment was made, it showed a worsening because more cases of the problem were discovered.

Performance declined	Marginal improvement	Performance improved
Internal sewer flooding External sewer flooding	Drinking water quality	Reducing leakage Carbon footprint Reducing environmental pollution and spills Reliable supply of water

Questions included:

There were two key questions asked – a rating of sentiment (positive/ negative) and for customers who mentioned they were 'Very positive' or 'Very negative', a follow up of 'why?'

- **Sentiment** – Very positive to very negative (five-point rating scale)

Sentiment – specific investment areas

Question wording	Thinking specifically about this investment area, overall how do you feel about what Scottish Water is proposing for the period 2027-2032?				
5-point scale	Very positive	Fairly positive	Neutral	Fairly negative	Very negative

- **Why** very positive or very negative (verbatim).

6.2.3 Results

Key findings

- **What is important to customers** - When asked to rank the investment areas, two stood out as the most important: drinking water quality (HH 40%, NHH 39% first place ranking) and a reliable water supply (HH 32%, NHH 26% first place ranking). Carbon footprint was considered the least important investment area (HH 3%, NHH 6% first place ranking).
- **Perception of performance** - Customers perceive Scottish Water to be performing most strongly (top 3 box performance rating on 10-point scale) on drinking water quality (HH 76%, NHH 84%) and a reliable water supply (HH 80%, NHH 80%).
- **Positivity to Scottish Water proposals** - Scottish Water's proposal for drinking water quality is rated most positively by both HH (76%) and NHH (88%) customers, while external (HH 61%, NHH 83%) and internal sewer flooding (HH 61%, NHH 80%) and carbon footprint (HH 64%, NHH 86%) are least likely to receive a favourable response.
- **Reason for positivity** - Strong appreciation for Scottish Water, particularly for its forward-thinking approach to ensuring a continuous supply of clean water without harming the environment.
- **Reason for negativity** - Lower levels of support to internal and external sewer flooding proposals are mainly due to perceptions that the situation does not improve, whilst negativity around the carbon footprint investment area is driven by scepticism around climate change and net zero.
- **Communication and media** - Positive news about Scottish Water leads to more favourable views of its investment plans, suggesting a halo effect.
- **Attitudes toward climate change** - Those who see climate change as urgent are more supportive about all investment plans, while sceptics are less positive, especially about reducing the carbon footprint.

Perceived importance of investment areas

When asked to rank the investment areas, two stood out as the most important: ***drinking water quality*** and ***a reliable water supply***. Carbon footprint was considered the least important investment area.

Investment areas ranked in first place HH and NHH

Drinking Water Quality	Reliable Supply of Water	Internal Sewer flooding	Reducing Leakage	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
40%	32%	8%	7%	7%	4%	3%

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: 1265, HH: 1065, NHH: 200

Investment areas ranked in <u>top three HH and NHH</u>

Drinking Water Quality	Reliable Supply of Water	Reducing Leakage	Internal Sewer flooding	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
81%	75%	40%	39%	27%	23%	15%

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: 1265, HH: 1065, NHH: 200

Mean ranking for each investment area (1 to 7) HH and NHH

Drinking Water Quality	Reliable Supply of Water	Internal Sewer flooding	Reducing Leakage	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
2.3	2.6	4.0	4.2	4.6	4.6	5.7

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: 1265, HH: 1065, NHH: 200

The priority order of investment areas is consistent across HH and NHH customers. HH customers do rate ***reliable water supply*** as more important in comparison to NHH customers, whilst NHH customers rate ***reducing environmental pollution and spills*** and ***carbon footprint*** as more important than HH customers (looking at percentage ranking within top 3 priorities).

Investment areas ranked in <u>first place HH</u>

Drinking Water Quality	Reliable Supply of Water	Internal Sewer flooding	Reducing Leakage	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
40%	33%	7%	7%	7%	3%	3%

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: HH: 1065

Investment areas ranked in <u>top three HH</u>

Drinking Water Quality	Reliable Supply of Water	Reducing Leakage	Internal Sewer flooding	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
81%	77% ↑	40%	40%	26% ↓	23%	13%↓

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: HH: 1065 Key: Red ↓ significantly lower than NHH . Green ↑ significantly higher than NHH

Mean ranking for each investment area (1 to 7) HH

Drinking Water Quality	Reliable Supply of Water	Internal Sewer flooding	Reducing Leakage	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
2.3	2.5	4.0	4.2	4.6	4.5	5.9

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: HH: 1065,

Segment differences

- There are some significant differences by **age.** 16–44-year-olds view 'carbon footprint' significantly higher in terms of importance than older customers (Mean scores for 16-24 = 4.80, 25-34 = 5.46, 35-44 = 5.53 v total HH sample 5.88).
- **Older customers** rank drinking water quality as significantly more important (55-64 = 2.05, 65+ = 2.09). 65+ year olds rank reducing leakage as significantly more important (65+ = 3.83 v total HH sample 4.21).
- Customers in **small or rural villages** rank carbon footprint as significantly lower in importance than the total HH sample (small/ med town=6.01, village/rural/island = 5.97 v 5.88 total HH sample).
- **Larger households** rank carbon footprint more important (5.43 v 5.88 total HH sample).

Investment areas ranked in first place NHH

Drinking Water Quality	Reliable Supply of Water	Internal Sewer flooding	Reducing Leakage	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
39%	26%	9%	8%	8%	6%	6%

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: NHH: 200

Investment areas ranked in top three NHH

Drinking Water Quality	Reliable Supply of Water	Reducing Leakage	Internal Sewer flooding	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
78%	64% ↓	40%	38%	35%↑	24%	25%↑

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: NHH: 200

Key: Red ↓ significantly lower than HH. Green ↑ significantly higher than HH.

Mean ranking for each investment area (1 to 7) NHH

Drinking Water Quality	Reliable Supply of Water	Internal Sewer flooding	Reducing Leakage	Reducing Environmental pollution and spills	External Sewer Flooding	Carbon Footprint
2.4	3.1	4.3	4.2	4.2	4.9	5.0

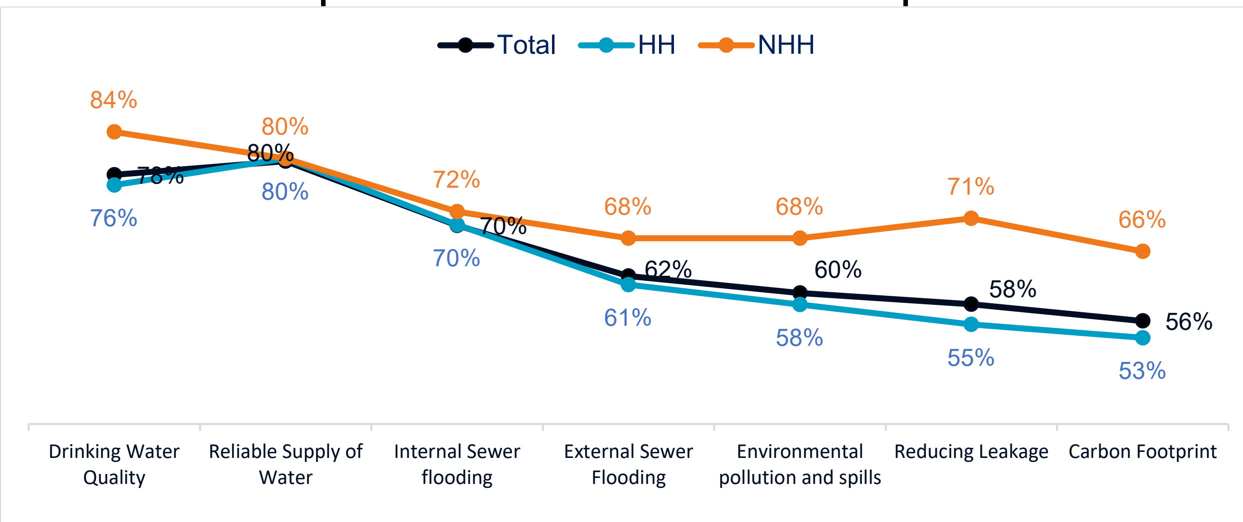
B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Total sample: NHH: 200

Scottish Water current performance in each area (Top 3 Box % on 10-point scale)

Customers were asked to rate performance on a 10-point scale of which the top 3 box % is presented in the chart below. This was based on the seven investment areas, with no detail other than the short summary as seen in '*Phase 1: Summary of investment areas*' table above.

HH and NHH customers have similar perceived performance, with directionally higher perception for NHH when compared to HH for most areas. There are significant differences for 'reducing leakage', 'carbon footprint' and 'reducing environmental pollution and spills' which NHH perceive as performing significantly better than HH customers.

Scottish Water current performance – HH and NHH customers Top 3 box

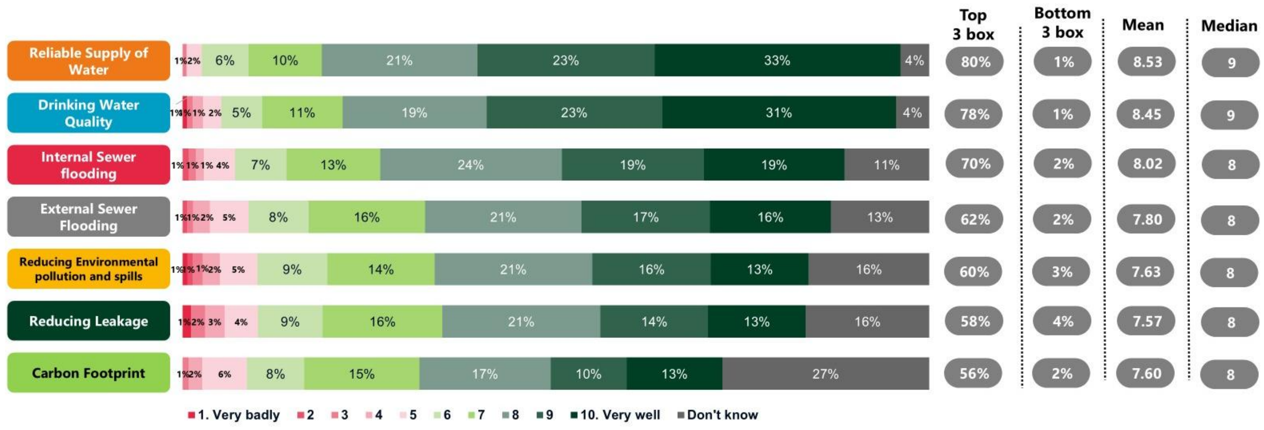


B2. How well do you think Scottish Water is currently performing in each of these areas? Please use the 10-point scale where 1 is 'very badly' and 10 is 'very well'. Total sample: 1265, HH: 1065, NHH: 200. We have excluded 'Don't know' responses from the Top 3 box, Bottom 3 box, mean and median calculations and these scores are based on a 10-point scale

Scottish Water current performance in detail

Whilst carbon footprint was seen as the least well performing area the detail identifies a lack of understanding, with more than a quarter of HH and NHH respondents saying 'Don't know' in regard to Scottish Water's performance for carbon footprint.

Scottish Water current performance in each area – HH and NHH customers

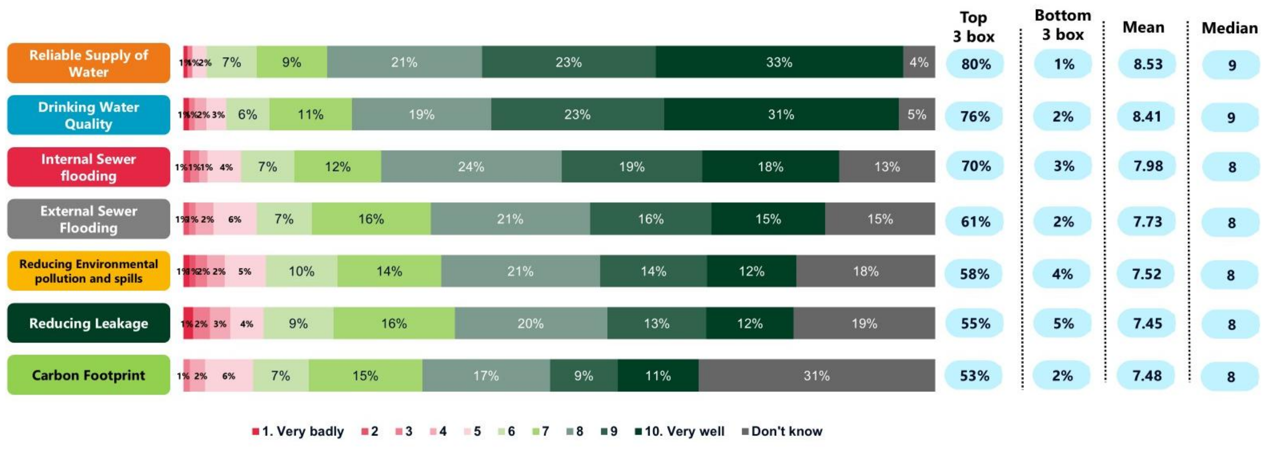


B2. How well do you think Scottish Water is currently performing in each of these areas? Please use the 10-point scale where 1 is 'very badly' and 10 is 'very well'. Total sample: 1265 Note: We have excluded 'Don't know' responses from the Top 3 box, Bottom 3 box, mean and median calculations and these scores are based on a 10-point scale

HH customers have a higher proportion of 'Don't Know' responses than NHH customers for all areas, though this is especially pronounced for areas where performance is rated lower ('reducing environmental pollution and spills', 'reducing leakage' and 'carbon footprint'). To account for this, 'Don't Know' responses have been excluded from Top 3 box, Bottom 3 box, mean and median calculations and these scores are based on a 10-point scale.

For both HH and NHH customers, very few believe Scottish Water is performing poorly. Bottom-three-box scores do not exceed 5% among HH customers and are just 1% across all measures for NHH customers.

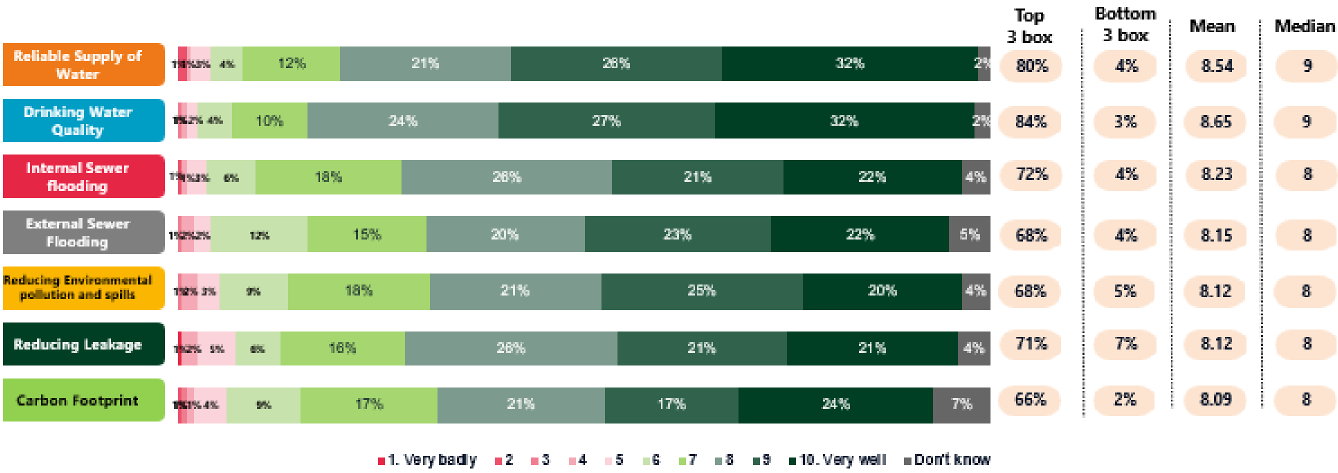
Scottish Water current performance in each area – HH customers



B2. How well do you think Scottish Water is currently performing in each of these areas? Please use the 10-point scale where 1 is 'very badly' and 10 is 'very well'. Total sample: HH 1065 Note: We have excluded 'Don't know' responses from the Top 3 box, Bottom 3 box, mean and median calculations and these scores are based on a 10-point scale

NHH customers are generally more favourable of carbon footprint perceived performance with 66% assigning a top 3 box performance rating on 10-point scale versus 53% for HH customers.

Scottish Water current performance in each area – NHH customers

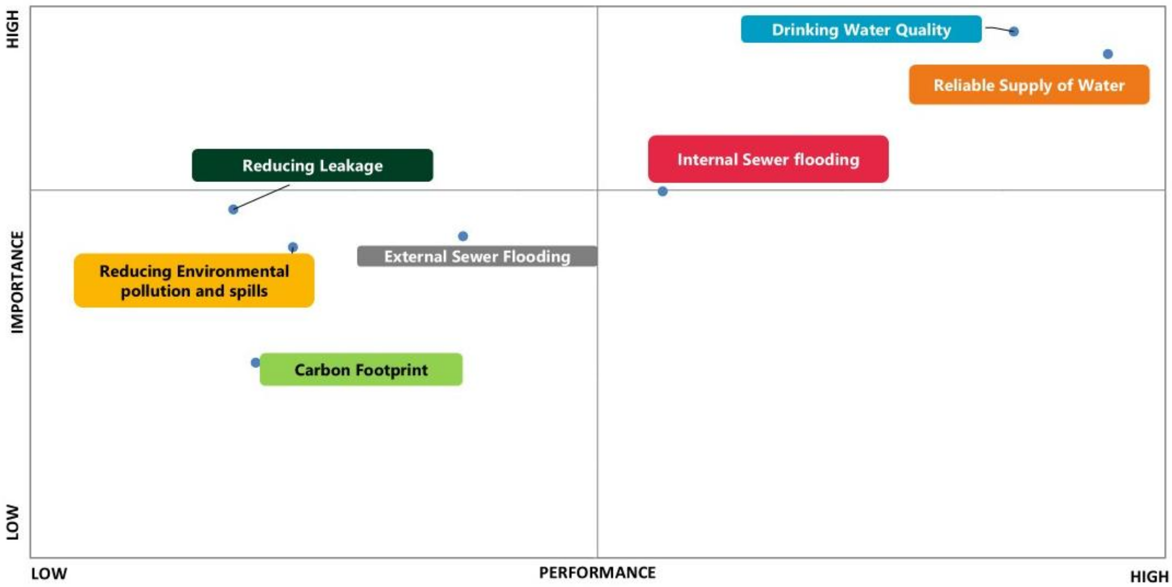


B2. How well do you think Scottish Water is currently performing in each of these areas? Please use the 10-point scale where 1 is 'very badly' and 10 is 'very well'. Total sample: NHH 200 Note: We have excluded 'Don't know' responses from the Top 3 box, Bottom 3 box, mean and median calculations and these scores are based on a 10-point scale

Scottish Water current perceived performance by importance

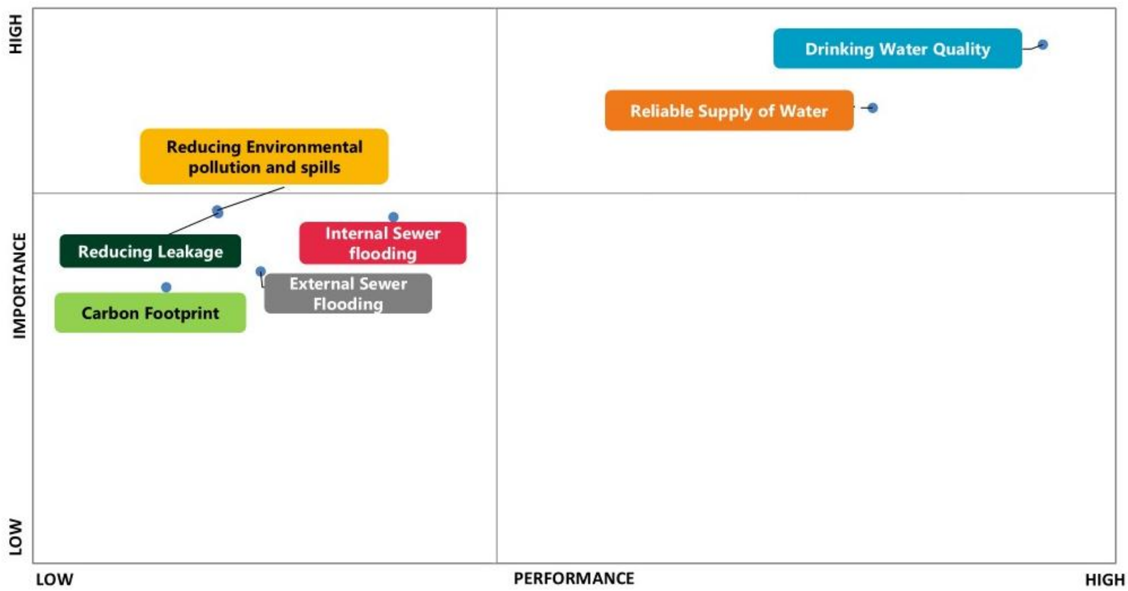
When importance (overall ranking) and perceived performance (10-point rating scale) are combined, the two most important areas are also perceived to be performing best. This perception is consistent across HH and NHH customers.

Performance versus importance across 7 investment areas – HH customers



B1. Below you will see information on different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Click on each option in the order you rank them. B2. How well do you think Scottish Water is currently performing in each of these areas? Please use the 10-point scale where 1 is 'very badly' and 10 is 'very well'. Total HH: 1065

Performance versus importance across 7 investment areas – NHH customers



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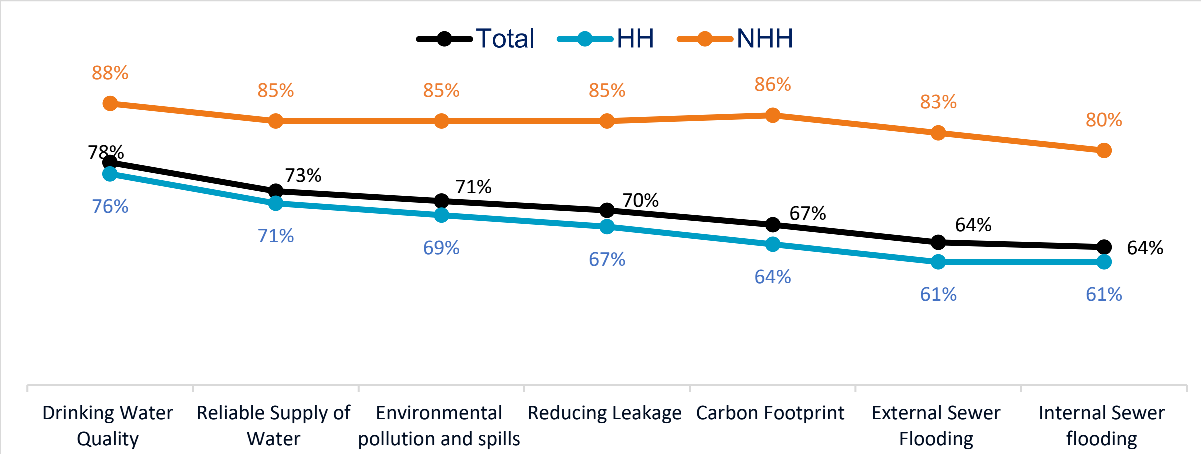
Views on seven investment areas

After customers ranked the seven investment areas and rated current perceived importance as discussed above, they were then shown more information about each of the seven investment areas and plans for investment and outcomes through SR27.

When shown details of each individual investment area, views are positive, especially among NHH customers. The proposal for drinking water quality is rated most positively by both HH (76%) and NHH (88%) customers, while external (61% HH, 83% NHH) and internal sewer flooding (61% HH, 80% NHH) and carbon footprint (61% HH, 80% NHH) are least likely to receive a favourable response.

How customers feel about each investment area proposal (Top 2 box %: Very / fairly positive) – HH and NHH customers



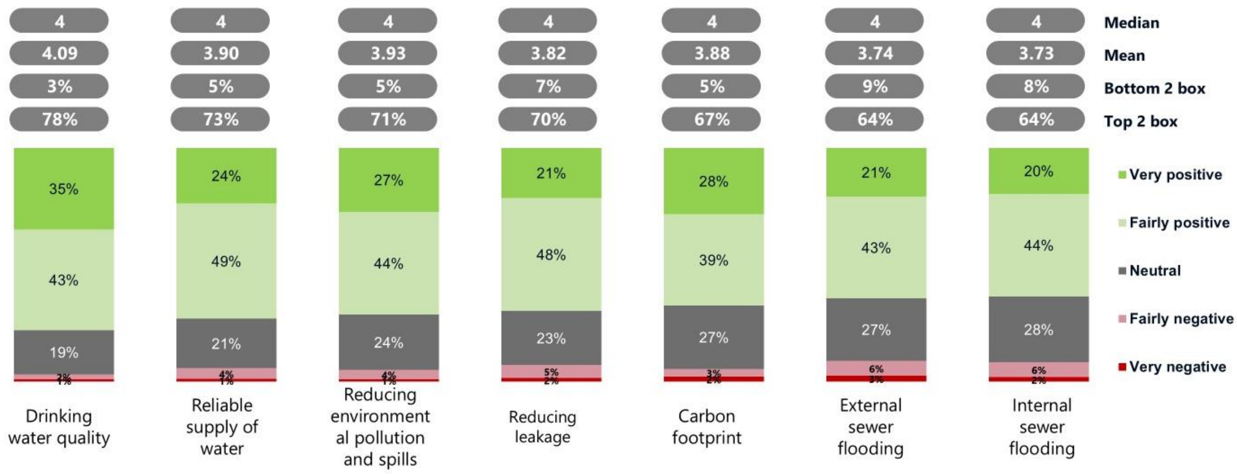
B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? Total sample: 1265, HH: 1065, NHH: 200

Segment differences

- There were no significant differences across **council tax band.**
- **One person households** are more likely to rate drinking water positively (84% v 76% total HH sample).
- There were no significant differences by **business characteristics.**

More detailed data by investment area proposal shows that, overall, drinking water quality is the most positively rated, with a mean score of 4.09, driven by a high share of 'very positive' responses. All areas show around one in five customers feeling ambivalent.

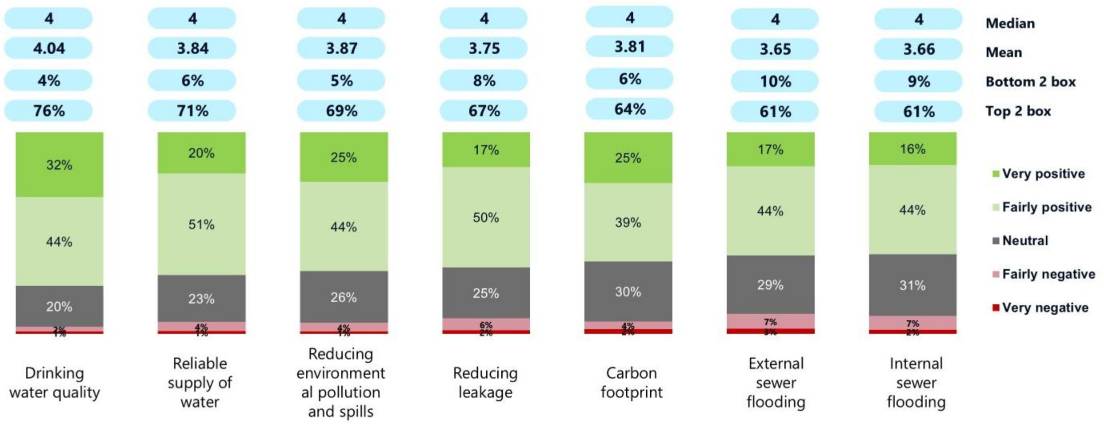
How customers feel about each investment area proposal (Top 2 box %: Very / fairly positive) – Detailed data – HH and NHH customers



B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? Total sample: 1265

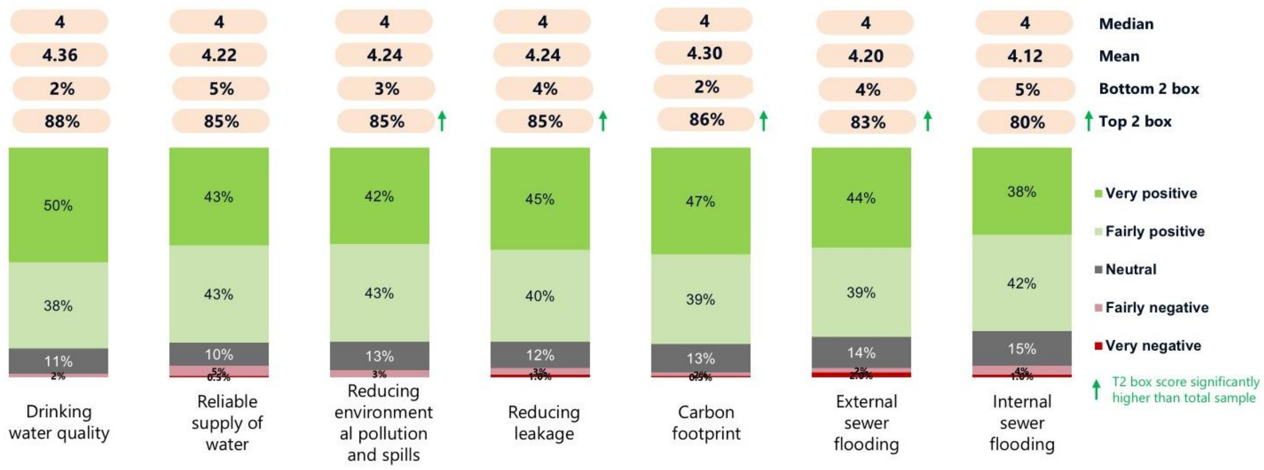
Drinking water quality and reliable supply of water are the most positively viewed investment areas among HH customers. There is a degree of neutrality towards all investment areas, which ranges from 20% for drinking water quality to 31% for internal sewer flooding. Around one in ten feels negatively about external or internal sewer flooding investments.

How customers feel about each investment area proposal (Top 2 box %: Very / fairly positive) – Detailed data – HH customers



B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? HH: 1065

How customers feel about each investment area proposal (Top 2 box %: Very / fairly positive) – Detailed data – NHH customers

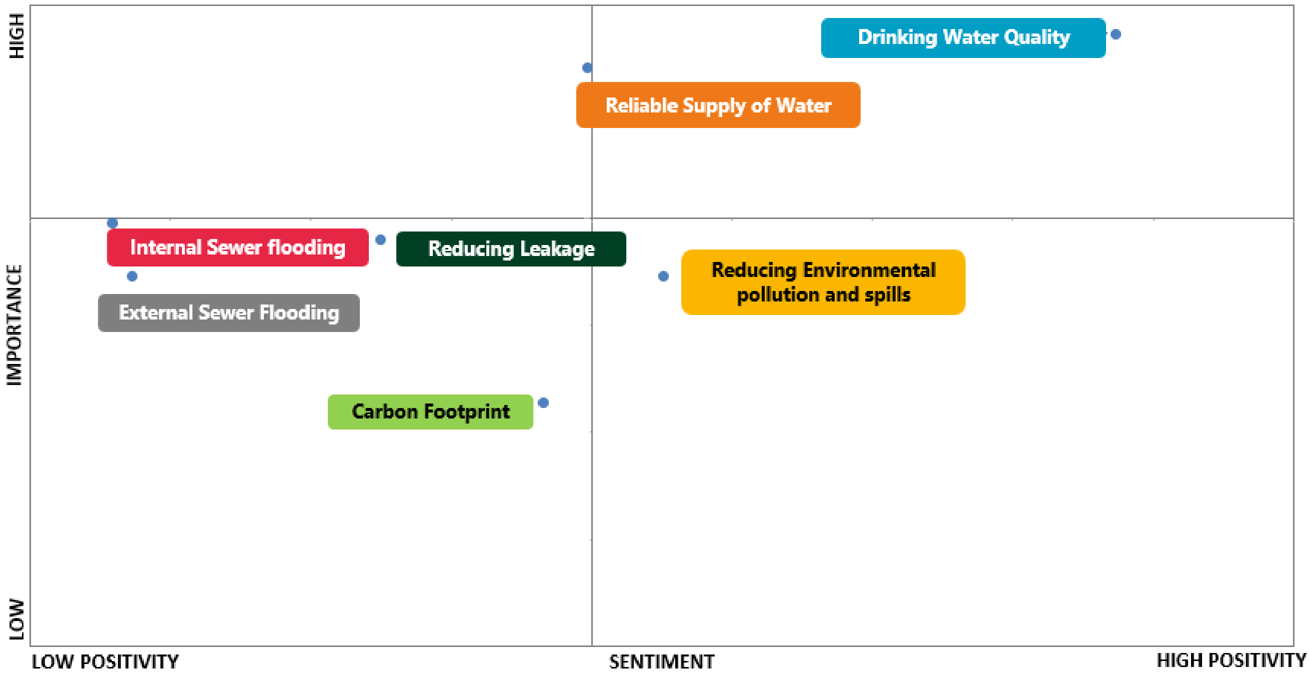


B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? NHH:: 200

NHH customers view the proposals across all investment areas more positively than HH do, with less variance in their ratings—suggesting the plans are generally seen as strong and there's considerably less ambivalence.

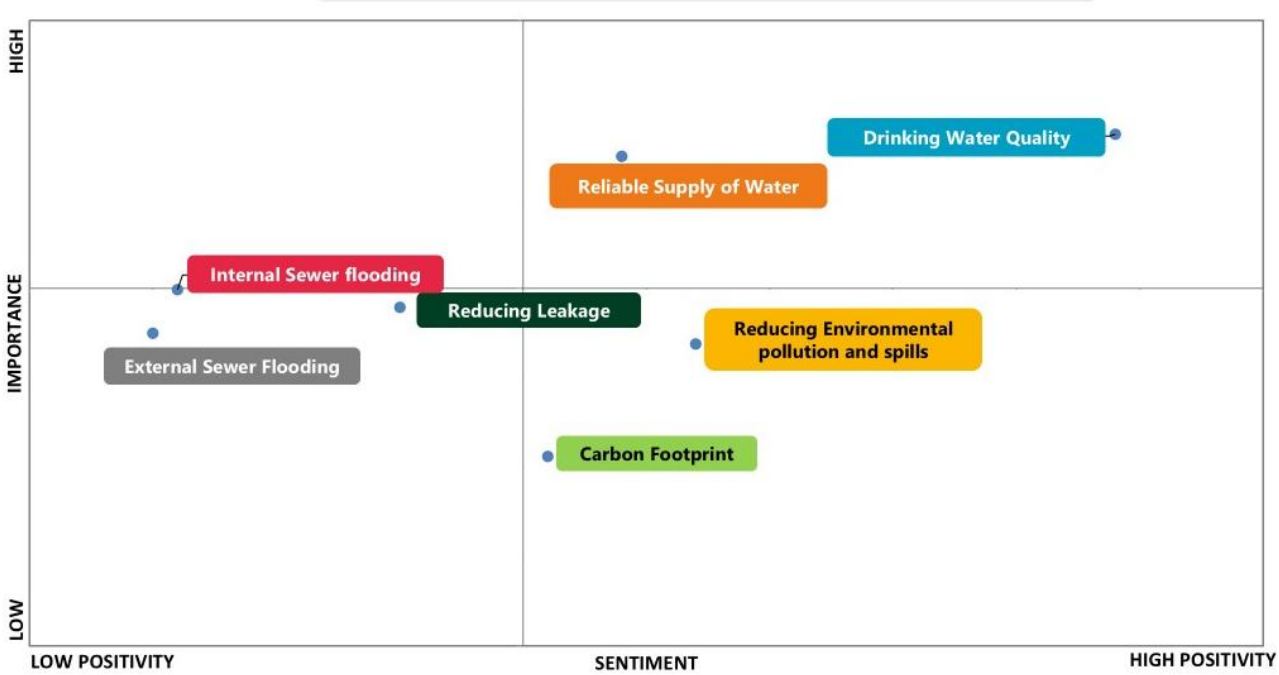
When we combine importance and sentiment, there is a relatively good correlation between perceived importance and sentiment towards investment areas. The same two most important areas have very positive sentiment; however internal sewer flooding is an area that is important for customers and there is lower positivity towards the investment proposition.

Importance vs sentiment to investment proposal - HH and NHH customers



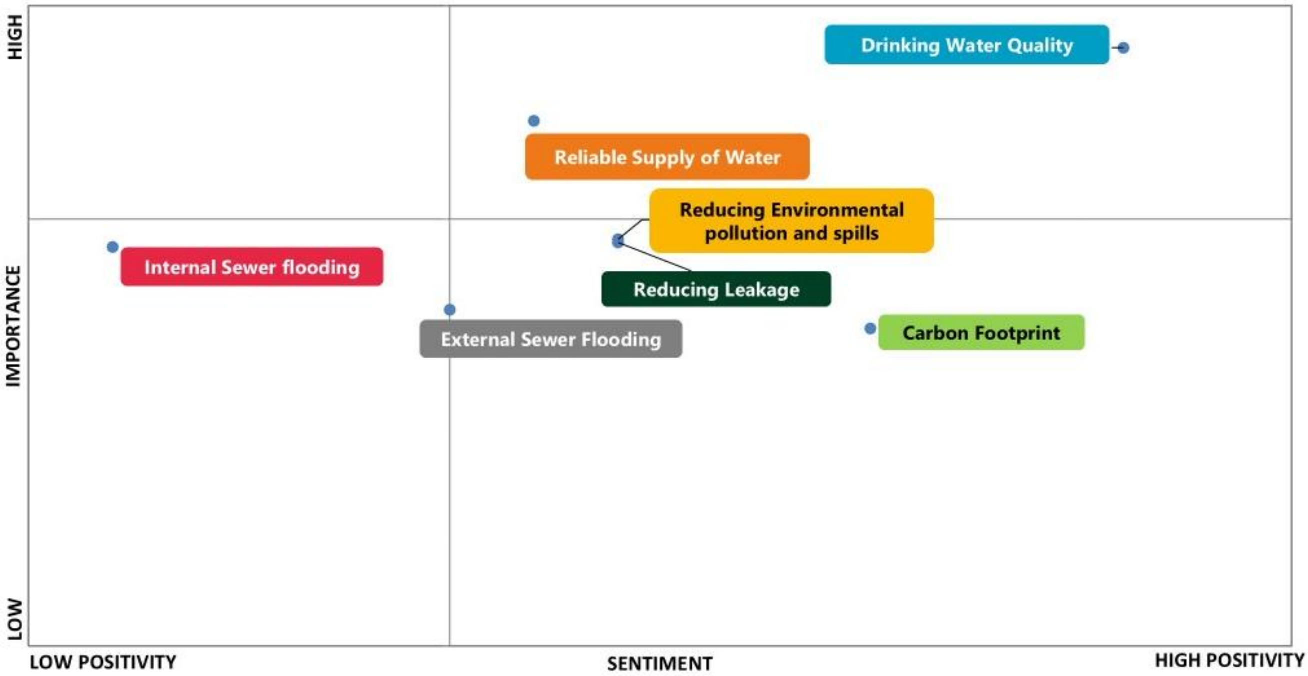
B1. Below you will see information on different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Click on each option in the order you rank them. B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032?
Total: 1265

Importance vs sentiment to investment proposal - HH customers



B1. Below you will see information on different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Click on each option in the order you rank them. B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? Total: HH 1065

Importance vs sentiment to investment proposal - NHH customers



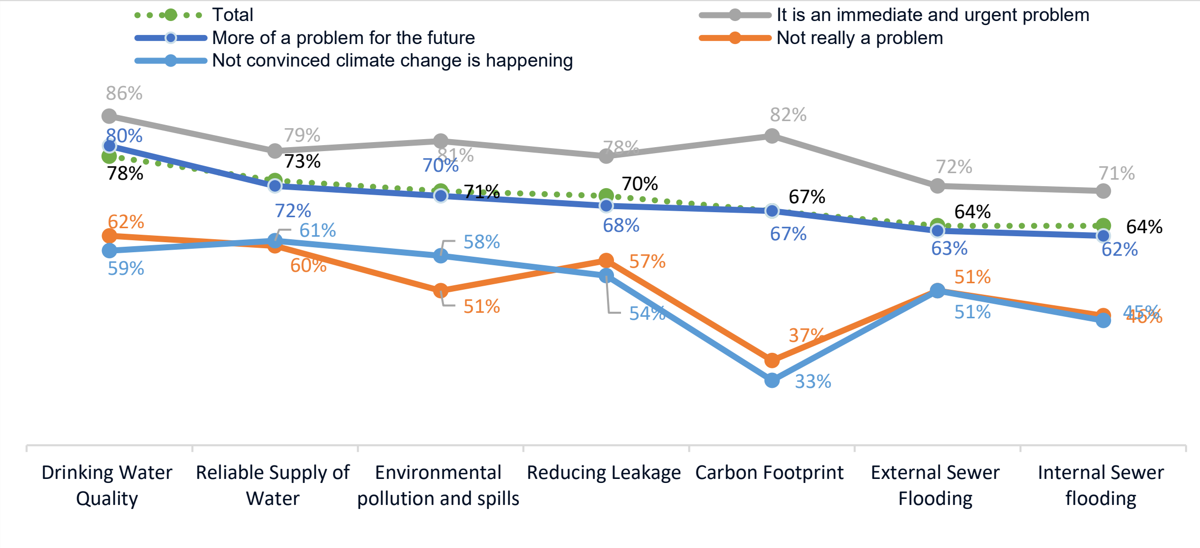
B1. Below you will see information on different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important [IF QHIDBUSINESS] for your business. Please rank each where 1 is most important and 7 is least important. Click on each option in the order you rank them. B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? Total: NHH 200

The effect of climate change

In general, those who see climate change as an urgent problem view the investment areas more positively and those who are not convinced climate change is happening or who don't think climate change is a problem view all the investment areas more negatively – particularly the 'carbon footprint' investment proposal.

Those who see climate change as an immediate and urgent problem view the climate change investment area as the second highest in terms of positivity (82%). As views about climate change differ, positivity towards this investment area changes with low positivity about this proposal from those who feel climate change is not really a problem (37%) and those who are not convinced climate change is happening (33%).

How customers feel about each investment area – by views on climate change – HH and NHH customers



B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? D7 How concerned, if at all, are you about climate change?
Total sample: 1265, It is an immediate and urgent problem: 646, Problem for the future: 327, Not really a problem: 126, Don't know: 82, Not convinced it is happening: 84

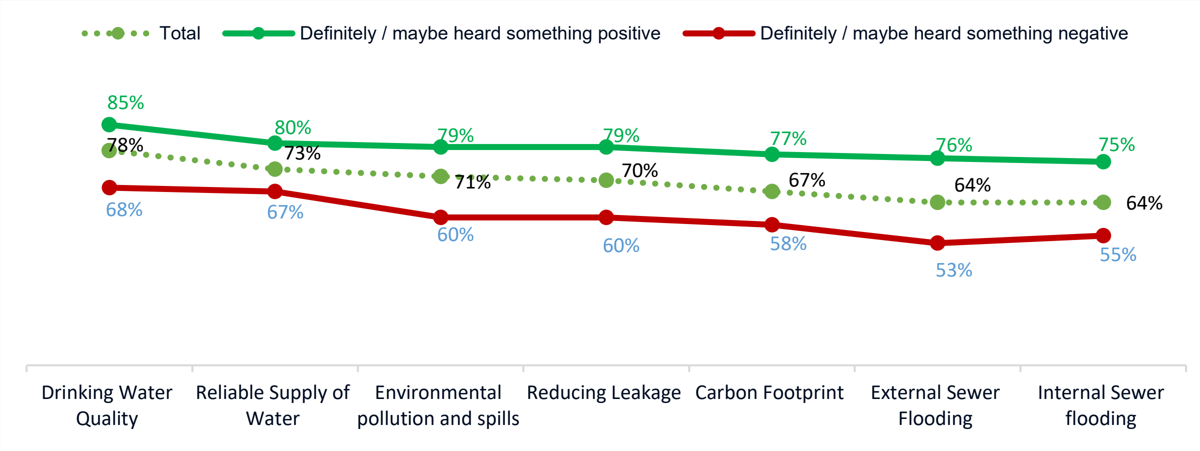
The environment or the climate was mentioned specifically in the stimulus outlining the potential investment areas of 'carbon footprint' and 'water leakage'.

Others investment proposals have more indirect references, for example:

- 'Drinking water quality' mentions 'severe weather', 'heavy rain' and 'hot weather' – so not explicit mentions of climate change but could be inferred.
- 'Reliable supply of water' mentions 'warmer, drier summers' and 'shifts between wet and dry weather', so indirectly implying climate change.
- 'Environmental pollution' mentions 'unusually heavy rain' – so possible linkage.
- External sewer flooding: doesn't mention climate change but mentions heavy rain.
- Internal sewer flooding: doesn't mention climate change but mentions heavy rain.

Those who have heard positive news about Scottish Water have a much more positive view of the investment areas than those who have heard something negative. This suggests a halo effect.

How customers feel about each investment area – by heard anything in the news about Scottish Water – HH and NHH customers



B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032? QD9AIn the last 6 months, have you heard anything positive or negative about Scottish Water e.g. on the TV, radio, online news or social media? Total sample: 1265, Heard something positive: 531, Heard something negative: 235

Reasons for citing 'very positive' or 'very negative'

Customers who, when shown an individual investment plan, cited either 'very positive' or 'very negative' were then asked why. The sample sizes shown on each table reflect the number of people out of the total who cited 'very positive' (i.e. gave a score of 5/5) or 'very negative' (i.e. gave a 1/5). This was independent of any rating they gave for other investment areas. The summary tables below include all customers.

Among those who felt 'very positive' about each investment area, responses revealed ***strong appreciation for Scottish Water***—particularly for its forward-thinking approach to ensuring a continuous supply of clean water without harming the environment.

Why participants feel very <u>positive</u> about this investment area

Drinking Water Quality	Reliable Supply of Water	Reducing Leakage	Reducing Environmental pollution and spills	Internal Sewer flooding	External Sewer Flooding	Carbon Footprint
N=447	N=306	N=281	N=352	N=258	N=276	N=358
"Maintaining high quality water is vital" ***NHH***	"It will help fix the issue of water scarcity and it is a good thing because water is very essential." ***HH***	"Any measures to save water is positive." ***HH***	"It shows a concern to improve the system and prevent future mishaps." ***HH***	"Flooding of sewers is a serious risk to health, so work to prevent it is essential." ***HH***	"Discharges affect rivers, wildlife and our environment. Reducing these discharges can only be a good thing." ***HH***	"A 67% improvement in carbon capture is amazing and very important as climate change is getting worse year on year." ***HH***
"Because they are going to maintain our	"It will make sure there is continuous	"Less leakage means more water" ***NHH***	"Sewage spills are never good, and bad for the environment.	"Never had this problem and don't	"Using technology to prevent and	"I didn't know they planted trees etc.

brilliant tasting water which is the best in the world." *HH*	and available water supply." ***NHH***		To eliminate them would be fantastic." ***NHH***	want to experience it." ***NHH***	reduce external sewer flooding is a positive action." ***NHH***	Excellent work" ***HH***
"Since water is life, this is very essential in having the best of it." *NHH*	"A 17% positive increase" ***HH***	"Because they are looking to fix things before they get out of hand" ***HH***	"Using technology to detect issues with overflow" ***NHH***	"Looking out for properties that may be at risk is definitely a good way to look out for their customers." ***NHH***	"No one wants sewage anywhere anytime." ***HH***	"Anything that reduces the carbon footprint is positive; we all need to help fix this issue" ***HH***

B4. Why do you feel this is very positive? Total sample citing 'very positive'. Individual sample sizes shown on table.

While we didn't have more than 32 customers feeling very negative about an investment area, it is interesting to understand what is driving negativity among the minority. The negative perceptions for investment plans for internal and external sewer flooding are mainly due to perceptions that the situation does not improve, whilst negativity around the carbon footprint investment proposal is driven by scepticism around climate change and net zero.

Why participants feel very negative about this investment area

Drinking Water Quality	**Reliable Supply of Water**	**Reducing Leakage**	**Reducing Environmental pollution and spills**	**Internal Sewer flooding**	**External Sewer Flooding**	**Carbon Footprint**
N=13	N=17	N=21	N=12	N=21	N=32	N=26
"The increase is negligible" ***HH***	"Not much improvement" ***HH***	"Appalling wastage" ***HH***	"Don't see how there would be none left" ***HH***	"Because the number is getting higher" ***HH***	"This idea doesn't solve the problem needs a more proactive idea" ***HH***	"Sick to death hearing about net zero, it is an excuse to put prices up and continue to fleece the public." ***HH***
"Cost of living is making this unacceptable" ***HH***	"Not a large enough reduction in post codes affected in the next 8 years" ***NHH***	"Need to do more and quickly" ***NHH***	"Consistent maintenance would solve larger problems" ***HH***	"As it is actually increasing the number of houses at risk rather than. Improving" ***HH***	"The aim is for these events to reduce, not increase" ***NHH***	"Too much emphasis on carbon footprint nowadays" ***HH***
"People can't afford this rise" *HH*	"People's bills will go up immediately, to pay for infrastructure change, but fixing burst pipes will not start until 2027. Please explain." ***HH***	"These improvements appear immaterial to justify the proposed price increases" ***HH***	"Unsustainable and ineffective in cost" ***HH***	"The target is basically to stand still i.e. no improvement. because the word maintain is used." ***HH***	"Because the numbers are worse in 2032 after all of the investment" ***HH***	"The people cannot afford to fund this carbon neutral nonsense. I would not be impressed if my bills rose for this." ***HH***

B4. Why do you feel this is very negative? Total sample citing 'very negative'. Individual sample sizes shown on table.

More in-depth comments by each investment plan can be found in the Appendix.

6.3 Views on Overall Plan

6.3.1 Objectives

Having already viewed each of the investment areas in detail and provided feedback on them, we then showed customers a one-page summary of Scottish Water's draft business plan for SR27 that showed an overview of all investment areas already seen.

The aim of this was to:

- Gain insight into how customers feel about the overall SR27 draft business plan
- Ascertain whether they felt the plan offered value for money
- Understand how reasonable they consider the price increase (now that they have seen the SR27 draft business plan, plus seven investment proposals, so that we are able to compare this to the same measure earlier in the survey where they had not seen details of the draft SR27 business plan)
- Identify which parts of the SR27 draft business plan were liked, disliked or unclear
- Collect honest verbatim feedback on their views for Scottish Water's plans for the future
- Test elements that could guide future communications about the plan.

6.3.2 Questionnaire content

Customers were presented the 'plan on a page' – an overview of the Draft Business Plan for 2027 – 2033. See figure 5.

KPI questions were determined in conjunction with Scottish Water and the RAG.

Questions included:

- Sentiment

Sentiment – key performance indicator

Question wording	Thinking about Scottish Water's plans and the challenges they face, how do you feel about what they are proposing for 2027–2032 (the plan you have just seen)?				
5-point scale	Very positive	Fairly positive	Neutral	Fairly negative	Very negative

- Value for money

Value for money – key performance indicator

Question wording	How would you rate Scottish Water's business plan for 2027–2033 in terms of delivering value for money — that is, the balance between the costs and the improvements provided?				
5-point scale	Very good value for money	Fairly good value for money	Neither good not poor value for money	Fairly poor value for money	Very poor value for money

- Reasonableness of the price rise

Reasonable – Plan information seen - key performance indicator

Question wording	Given everything you have seen, overall how reasonable is this price rise to you?				
5-point scale	Yes, very reasonable	Yes, somewhat reasonable	Neither reasonable nor unreasonable	No, somewhat unreasonable	No, very unreasonable

Reasonableness was asked once the plan information was seen. It is identical to the reasonableness KPI shown before any information had been seen. This allowed before and after analysis and was an indication of the impact of providing customers information about the proposed plan and investment areas.

- A text highlighter tool to identify words / phrases liked, disliked or that were unclear using 3 colours. See figure 8.

  Green for what they liked

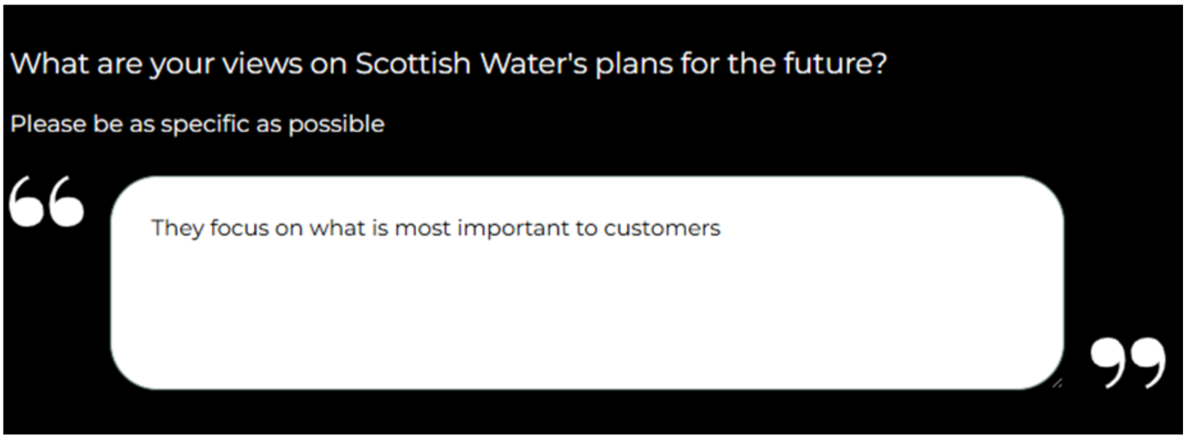
  Red for what they disliked

  Blue for what was unclear

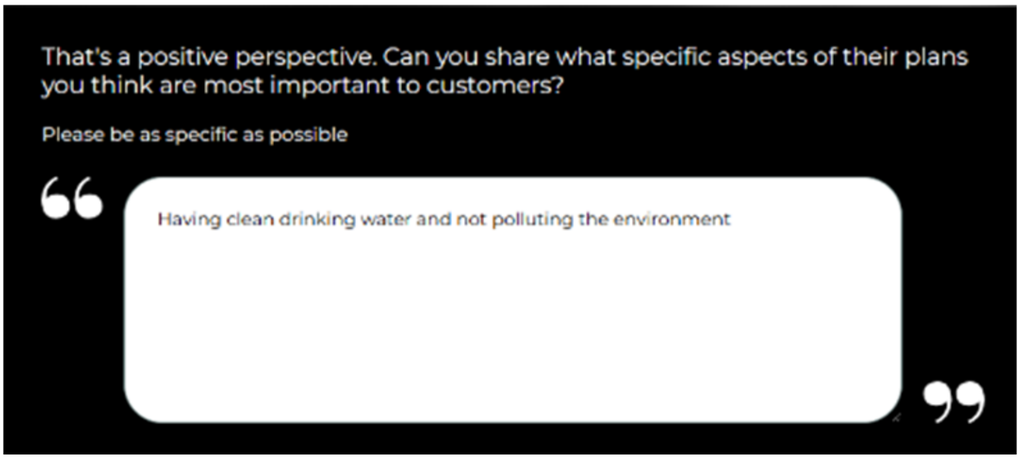
  The text highlighter tool enabled them to choose as many or as few words as they liked (sometimes none) for each of the three categories.

- Views on the plan (open text, use of AI prompter)

How customers were asked the first question



Example of AI prompting in action based on first response



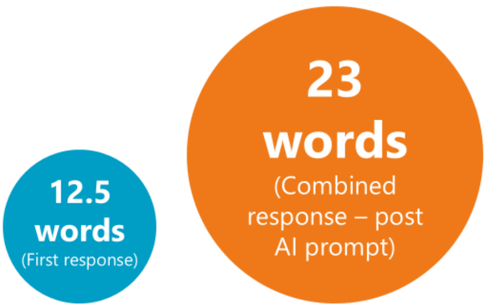
We asked customers for their views on Scottish Water's plans through an open-ended question. After they submitted their initial response, we used an AI prompting tool to encourage them to elaborate further. This innovative approach helped us gain a deeper understanding of customers' reactions to the plan on a page.

This tool addresses the limitations of traditional approaches to collecting qualitative feedback within quantitative surveys by introducing dynamic, conversational engagement. Instead of relying solely on static open-ended questions, it actively prompts participants with tailored follow-up questions based on their initial responses. These prompts are designed to feel natural and conversational, similar to how a skilled interviewer would probe for deeper insights. By doing so, the tool encourages participants to elaborate on their thoughts, clarify reasoning, and provide richer, more nuanced feedback.

We found the AI prompter not only increased the **quantity** of the information we received, it also improved the **quality** of the information.

Added depth from AI probing

Increased quantity



Average number of words

Increased quantity and quality

We re-analysed the first 100 participants' responses to Scottish Water's verbatim feedback.

First response: **108** coded entries across **19** distinct themes/codes (including "Don't know" and "Nothing" responses.)

Combined response (Post AI prompt): **174** coded entries across **25** themes/codes (again including "Don't know" and "Nothing").

6.3.3 Results

Key findings

- **Sentiment about the plan** - 73% of HH customers and 89% of NHH customers view Scottish Water's plans positively. The remainder are mostly neutral, with just 6% of HH customers and 2% of NHH customers expressing negative sentiment.
- **Value for money** - NHH customers are more likely to see the draft business plan as value for money (59% HH vs 82% NHH).
- **Reasonable** - The plan is considered reasonable by most (57% HH vs 80% NHH). However, some consider it unreasonable (22% HH vs 7% NHH).
- **Communication is key** - When given information on the plan, perceptions of reasonable increase, so communication on the plan is key to acceptance. The percentage of HH customers who see the plan as reasonable increased from 44% to 57% when shown information about the plan, whilst for NHH customers this increased from 74% to 80%. HH and NHH customers who are positive about the plan are also more likely to see the price increase as reasonable.
- **Likes** - Using a text highlighting tool, 97% of HH and NHH customers highlighted something they liked, and only 23% something they disliked and 26% something they found unclear.
- **Drivers of likes** - Likes are driven by 'high standard of drinking water' and 'affordable' charges. Dislikes are driven by 'net zero' and 'carbon footprint' text.
- **Positive opinion** - Looking at open-ended responses, we could see that many customers had a positive opinion of the draft business plan. There was, however, resistance on cost and a little scepticism on feasibility.

The SR27 Draft Business Plan

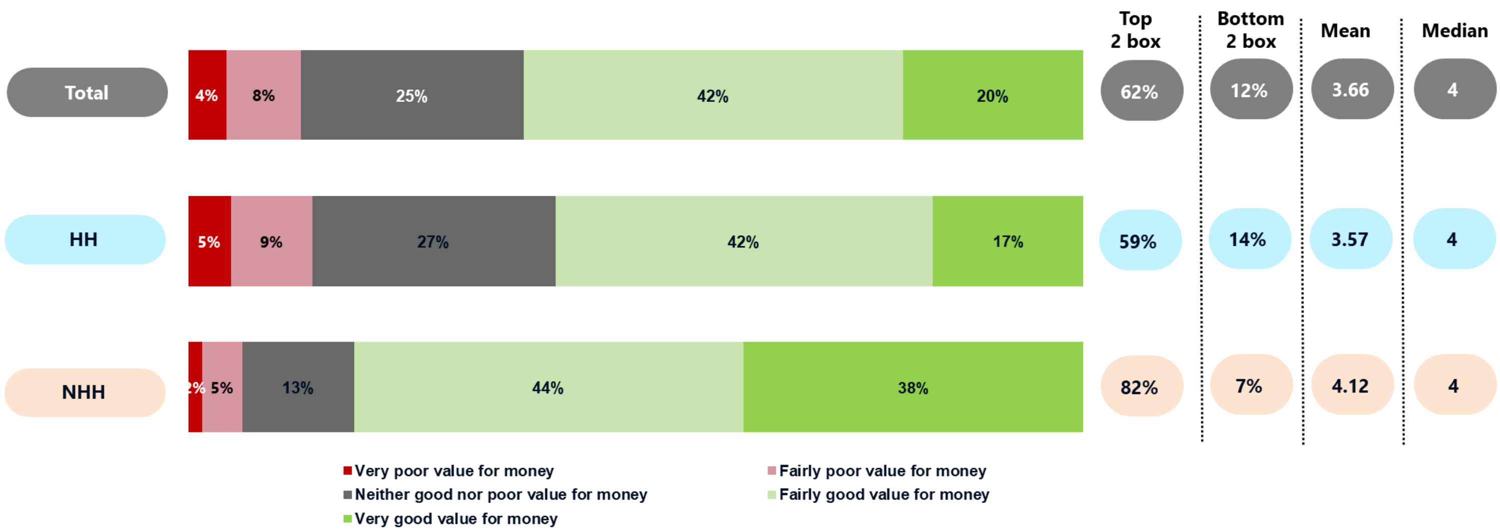
76% of customers view Scottish Water's draft plans positively (HH = 73% vs NHH = 89% Top 2 box scores). The remainder are mostly neutral, with just 6% expressing negative sentiment (Bottom 2 box score).

How customers feel about what Scottish Water are proposing for SR27 business plan

P1. Thinking about Scottish Water's plans and the challenges they face, how do you feel about what they are proposing for 2027–2032 (the plan you have just seen)?
Total sample: 1265, HH: 1065, NHH: 200

NHH customers are more likely to see the draft business plan as value for money (59% HH vs 82% NHH Top 2 box scores).

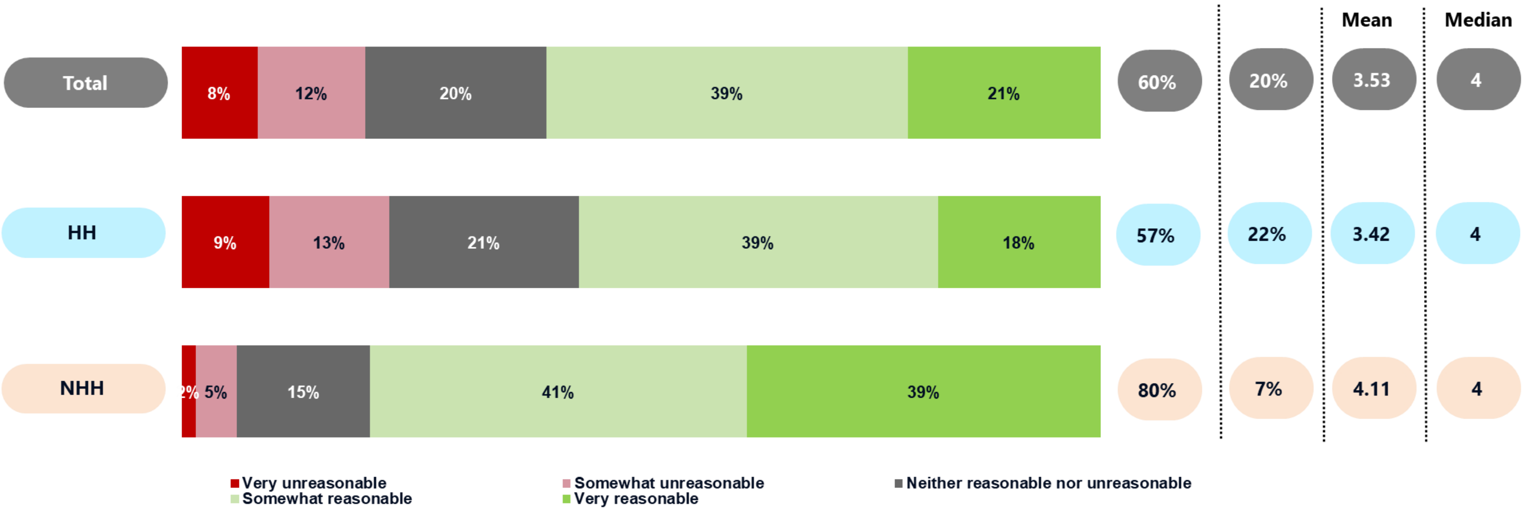
Whether the draft business plan offers value for money



P2. How would you rate Scottish Water’s business plan for 2027–2033 in terms of delivering value for money — that is, the balance between the costs and the improvements provided?
Total sample: 1265, HH: 1065, NHH: 200

The plan is considered reasonable by most (57% HH vs 80% NHH). However, some consider it unreasonable (22% HH vs 7% NHH).

How reasonable the price rise is to you (seen draft business plan)



P3. Given everything you have seen, overall, how reasonable is this price rise to you?
Total sample: 1265, HH: 1065, NHH: 200

When given information on the plan, perceptions of reasonableness increase, so communication on the plan is key to acceptance. The percentage of HH customers who see the plan as reasonable increased from 44% to 57% after they were provided with information about the plan, whilst for NHH customers this increased from 74% to 80%.

However, even after information about the draft business plan has been shared there remains a proportion of indifference, with 21% of HH and 15% of NHH viewing the draft plan as neither reasonable nor unreasonable after viewing information about the draft plan. Those who are positive about the plan are more likely to see the price increase as reasonable.

Perceptions of 'reasonableness' pre and post draft plan information

P3. Given everything you have seen, overall, how reasonable is this price rise to you?
Total sample: 1265, HH: 1065, NHH: 200

These three key questions (sentiment, value for money and reasonableness) were all reviewed by key demographics, council tax band, and key business dimensions in tabular format. These tables can be found in a separate Annexe with all key data tables.

Segment differences

- **Financially vulnerable** HH customers are significantly more likely to feel 'fairly negative' about the draft business plan (13% vs 5% total HH sample) and that the plan provides 'very poor value for money' (again 13% v 5% total HH sample). They are also more likely to feel the plan is 'very unreasonable' (17% v 9% total HH sample).
- There were no significant differences across council tax band, urban/ rural or household size.
- For businesses, **large business** were significantly more likely to view the plan very positively (56% v 42% total NHH sample).

Likes and Dislikes

Using a text highlighting tool, 97% highlighted something they liked. Likes are driven by 'high standard of drinking water' and 'affordable' charges. NHH customers were more likely to like the following: 'value', 'infrastructure' and '120,000 new homes' more. There were no significantly more liked words for the HH sample.

Likes are driven by the following phrases:

- Fair and affordable charges
- Reducing costs
- High standards of drinking water
- Improve water treatment / storage
- Reducing leakage
- Prioritising sewer overflows and
- Creating jobs (2,000 apprentices).

Most liked parts of the draft business plan – HH and NHH customers

P4. Below is the information about Scottish Water's business plan you have just seen. Please take a look at it again and use the highlighter tool to show us which parts you like, which parts you dislike, and which parts (if any) are unclear and you would need more information on. Map each region using the specified colour. For example, for aspects you like you will first select green and then select any parts you like. Total who liked at least one word: 1221; Total who disliked at least one word: 285

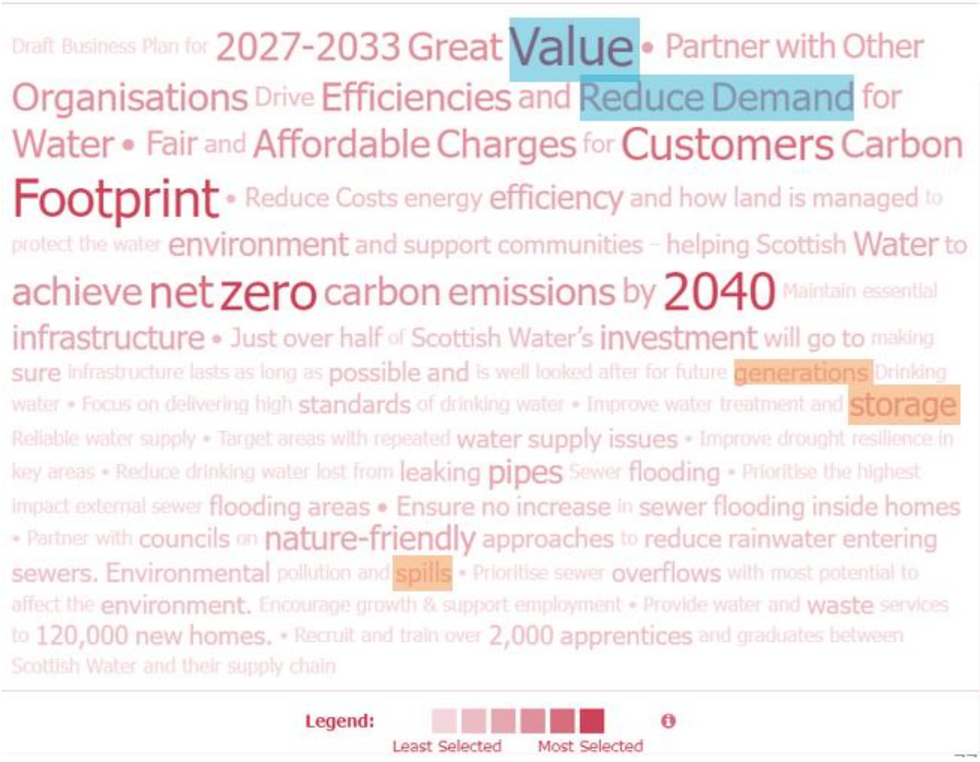
Only 23% of customers highlighted at least one word that they disliked. Dislikes are driven by 'net zero' and 'carbon footprint' text. HH customers were more likely to dislike the following: 'value' and 'reduce demand', whereas NHH customers were more likely to dislike 'storage', 'spills' and 'future generations'.

Dislikes are driven by the following:

- Carbon footprint
- Achieve net zero by 2040
- Unsubstantiated claims about 'Value' and 'Affordable charges'
- Drive efficiencies and reduce demand.

Most disliked parts of the draft business plan – HH and NHH customers

I.



P4. Below is the information about Scottish Water's business plan you have just seen. Please take a look at it again and use the highlighter tool to show us which parts you like, which parts you dislike, and which parts (if any) are unclear and you would need more information on. Map each region using the specified colour. For example, for aspects you like you will first select green and then select any parts you like. Total who liked at least one word: 1221; Total who disliked at least one word: 285

26% of customers highlighted at least one word they found unclear. This was driven by who Scottish Water will partner with, how they will 'drive efficiencies' and how they will 'reduce the demand for water'.

Customers feel there is a lack of clarity on:

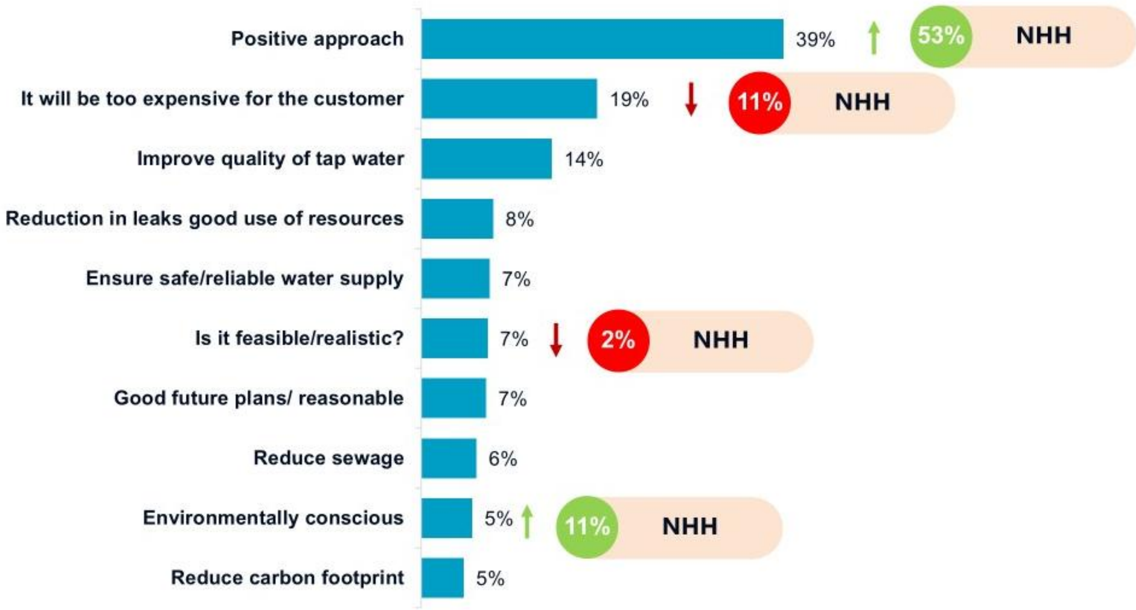
- Who Scottish Water will partner with (Partner with other organisations)
- How Scottish Water will 'drive efficiencies'
- How they will 'reduce the demand for water'
- How Scottish Water will 'reduce costs'
- Carbon footprint.

Most unclear parts of the draft business plan – HH and NHH customers

P4. Below is the information about Scottish Water's business plan you have just seen. Please take a look at it again and use the highlighter tool to show us which parts you like, which parts you dislike, and which parts (if any) are unclear and you would need more information on. Map each region using the specified colour. For example, for aspects you like you will first select green and then select any parts you like. Total sample who found at least one word unclear: 331

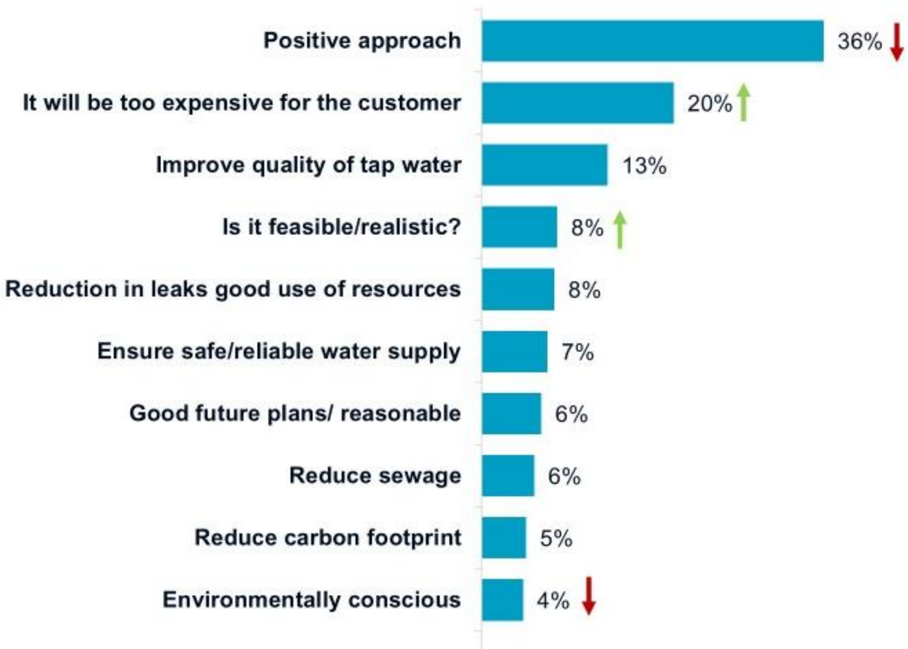
Looking at open-ended responses, including AI-probed feedback, we could see that many customers had a positive opinion of the draft business plan. There was, however, resistance on cost and a little scepticism on feasibility.

Top 10 views on the ‘Plan on a Page’ – HH and NHH customers



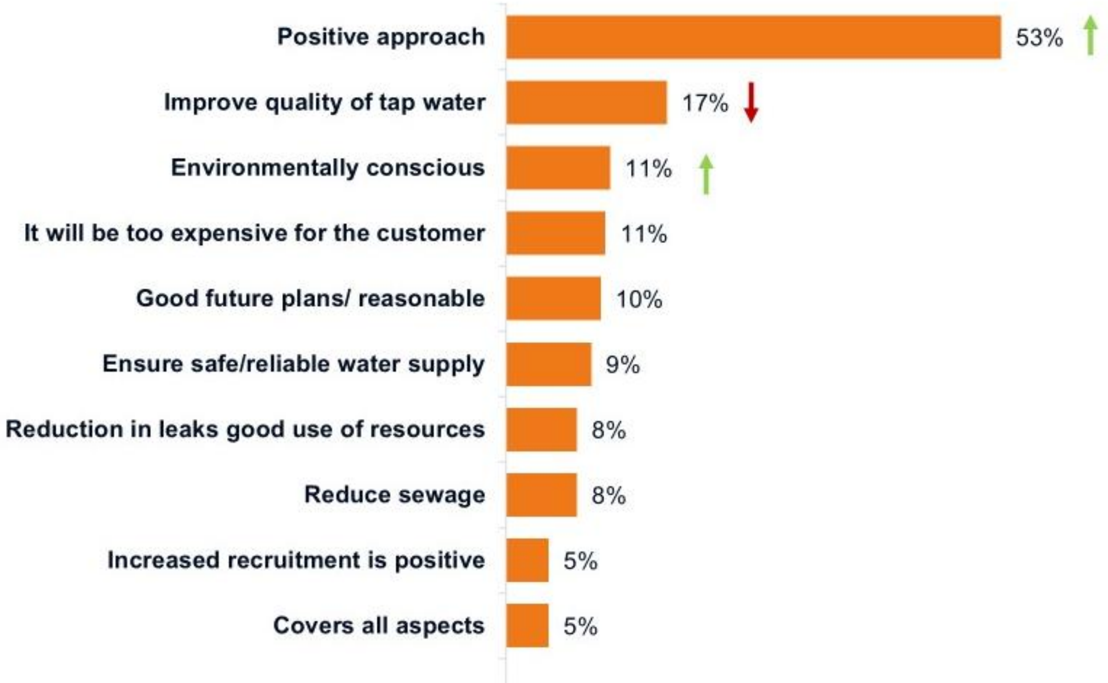
P5 / P6. What are your views on Scottish Water’s plans for the future? (AI prompter helped draw out more detailed answers)
Total sample: 1265, HH: 1065, NHH: 200 Red ↓ significantly lower. Green ↑ significantly higher.

Top 10 views on the ‘Plan on a Page’ – HH customers



P5 / P6. What are your views on Scottish Water’s plans for the future? (AI prompter helped draw out more detailed answers)
Total sample HH: 1065 Red ↓ significantly lower than NHH . Green ↑ significantly higher than NHH.

Top 10 views on the 'Plan on a Page' – NHH customers



P5 / P6. What are your views on Scottish Water's plans for the future? (AI prompter helped draw out more detailed answers)
Total sample NHH: 200 Red ↓ significantly lower than HH . Green ↑ significantly higher than HH ↑

NHH customers were significantly more likely to feel the draft business plan was a positive approach and environmentally conscious; and significantly less likely to feel it would be too expensive and to question the feasibility of it.

Some example verbatim responses highlight why customers felt positive about the future plans. These include them being well thought out, the continued focus on water quality and a pride in Scotland's water.

Positive approach

"Very happy overall, I think they genuinely care about providing the best possible service to the public and this plan continues that, we already have some of the best water services in the world and this will make sure of that in the future." ***HH***

"They are impressive and taking a very good look at it, it is something that is workable and will love to be part of." ***NHH***

"After reading this survey I feel quite positive. Keeping water supplies clean is my main priority with the rest very close behind." ***HH***

"Overall, I think Scottish Water's plans for the future are thoughtful and necessary. Investing in infrastructure, water quality, and environmental sustainability addresses both current challenges and long-term needs. I appreciate their efforts to balance service improvements with cost increases, though I hope they continue to keep affordability in mind for all households. As someone who cares about my family's health and the environment, I'm supportive of these steps toward a more reliable and sustainable water service. Scottish Water can build trust and support by being transparent and clear about their plans and why they're necessary. Regular updates through multiple channels like social media, local news, and direct mail would help reach different groups." ***HH***

P5 / P6. What are your views on Scottish Water's plans for the future? (AI prompter helped draw out more detailed answers)

Improve tap water quality

"I think Scottish Water's plans are positive, focusing on reliable water, quality, and reducing leakage. These plans will improve water reliability, protect the environment, and ensure safer, cleaner water for the community." ***HH***

"It's a good plan and keeps the supply of water and the quality of water" ***HH***

"Very optimistic and looking forward to cleaner water. Better quality water like bottled water but from a tap" ***HH***

"Positive keeping water good for us to drink. Keping contamination under control" ***HH***

"I feel it is a very positive plan. I feel it will enable the masses to have clean drinking water." ***NHH***

"Improving water quality standards, Essential for public health and safety. Better public health, cleaner water reduces the risk of disease." ***HH***

"I hope they can continue to supply us with high quality water supplies. I am 65 and have been used to the high quality drinking water direct from the tap all of my life. Everywhere else I have been in the world I have been advised to use bottled water for drinking and am glad I have been so fortunate. It tastes good here and I don't ever remember becoming ill from drinking tap water in Scotland." ***HH***

P5 / P6. What are your views on Scottish Water's plans for the future? (AI prompter helped draw out more detailed answers)

Reducing leakage is viewed very positively, as is the focus on access to water continuously for all.

Reduction in leaks

"Reduction in leaks is probably the best use of resources" ***HH***

"Proper treatment of water and avoiding every form of leakages that could cause flooding and return waste to homes and environment" ***HH***

"By reducing leakage and ensuring a more resilient supply, it means fewer disruptions and it boost confidence in the system." ***NHH***

"Think it is essential to maintain Scottish water improve infrastructure and deal with sewage leaked and leaking pipes." ***HH***

"The fact Scottish water is going to treble the effort of sorting leakages" ***HH***

P5 / P6. What are your views on Scottish Water's plans for the future? (AI prompter helped draw out more detailed answers)

Reliable water supply

"Improvements to services. Planning for future generations. Ensuring good quality water supply. Efficiency in terms no waste." ***HH***

"Quite positive and takes into account a lot of predicted climate change and population growth. the fact they are developing a resilience plan for more droughts etc and the plan to supply 120000 new homes." ***HH***

"Scottish Water has taken steps to ensure there is both quality and quantity in terms of water supply. There are several important steps but it is a cohesive approach addressing the whole that is most important" ***HH***

"It will sustain the water supply in Scotland. It will improve the quality of water supply" ***NHH***

"Their plans is great ensuring that there should not be any lack of water. Water for be made available always for use" ***HH***

P5 / P6. What are your views on Scottish Water's plans for the future? (AI prompter helped draw out more detailed answers)

But some responses are more negative – these include the cost to customers being too high and doubt on whether the plan is too ambitious.

Too expensive

"Prices are unreasonable but I like the plan. It's a complex and thought-out plan. Seems to be a help for improvement" ***HH***

"I think they are great plans but are quite expensive" ***NHH***

"Look good overall but unsure how some people will be able to afford the increases in bills. They could provide more discounts, but that would mean that those who don't qualify will have to pay even more, which could resentment." ***HH***

"Very good if they manage to do it, but they will need to make sure any price increases match what people's living wage is." ***HH***

"It all sounds wonderful except for the fact that my bills are going to increase by almost 35% to pay for it. Bills are already far too high, and wages are stagnant. How do you expect people to be able to afford it?
Prioritise basic services that actually matter to customers. Carbon footprint and net zero shouldn't be a priority. Providing clean drinking water and sewage services should be." ***HH***

"I think the plans are ambitious but feel very negative about the increase in costs to fund these plans given that salaries have not gone up by the same rate as inflation, and everywhere I go I see burst pipes - recently an external pipe on a main road overflowing for days before it was fixed. I would like to see them deliver a plan for less than they are proposing" ***HH***

P5 / P6. What are your views on Scottish Water's plans for the future? (AI prompter helped draw out more detailed answers)

Is it realistic / feasible?

"It looks good on paper. Let's see if this plan is followed through" ***HH***

"I think they have the right ideas but unsure as to whether they might actually be able to achieve it before the times they set on their goals" ***HH***

"Sounds ambitious but not sure how feasible it would be. I feel that too much is being promised but not sure if they will meet their targets by 2033." ***HH***

"They appear to be positive plans but can Scottish Water fulfil those plans? The work required to complete the plans, has it been underestimated?" ***HH***

"It looks good on paper. I just hope it can be delivered with the stated amount of money. My concern about the budget is that prices/costs always rise and everything seems to cost more money than originally re trying to reduce sewage flooding into properties" ***HH***

P5 / P6. What are your views on Scottish Water's plans for the future? (AI prompter helped draw out more detailed answers)

6.4 Awareness and perception of Scottish Water, and communications

6.4.1 Objectives

We aimed to understand awareness and perceptions of Scottish Water and the wider water sector, given recent media attention. We also explored customers' interest in receiving updates on the finalised business plan.

The aim of this was to:

- Measure awareness and trust in Scottish Water.
- Identify whether customers had heard positive or negative news about Scottish Water or the wider sector.
- Assess interest in receiving communication on the final business plan and what information would be most useful.

6.4.2 Questionnaire content

We provided background information about Scottish Water, including the diagrammatic explanation in figure 1.

Towards the end of the survey, we covered whether it would be helpful to receive more information on the final business plan and what, to help guide future communication strategies.

Questions included:

- Awareness of Scottish Water
- Trust of Scottish Water
- Understanding the role Scottish Water plays
- Awareness of positive and negative communications in relation to Scottish Water
- Awareness of positive and negative communications in relation to wider water sector
- Whether helpful to receive more information about the final business plan (3-point scale)
- What information customers want to receive (verbatim).

6.4.3 Results

Key Findings

- **Awareness** - 80% of HH customers and 74% of NHH customers are aware that Scottish Water provides their drinking water.
- **Trust** - There is very high level of trust in Scottish Water with a 91% HH and 96% NHH top 3 box score (5 – 7 on the rating scale).
- **Sentiment heard** - Customers are more likely to have heard something positive about Scottish Water than something negative in the last six months (HH customers 38% positive vs 20% negative, NHH customers 69% positive vs 19% negative.)

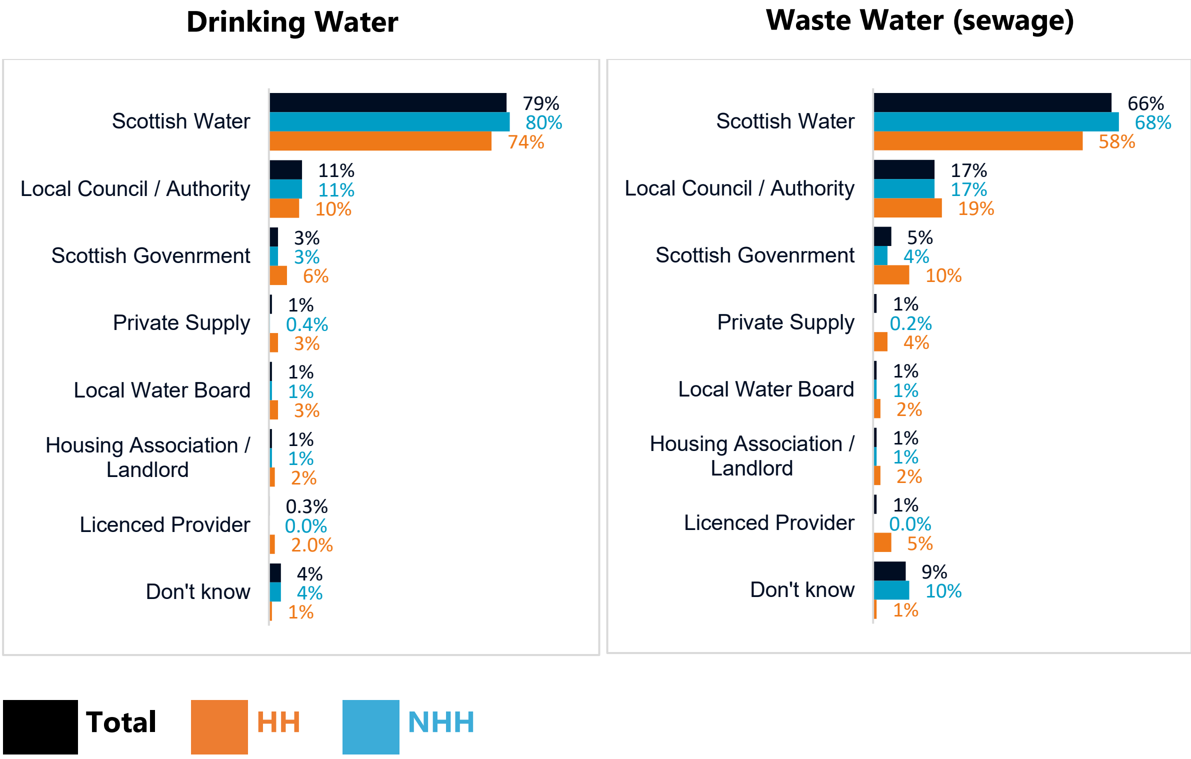
- **Desire for information** - Customers are keen to receive more information on the final business plan. Businesses are especially keen (80% yes versus 60% of HH). Only 7% of HH and 2% of NHH say no, with the remainder indifferent.

Awareness

80% of HH customers and 74% of NHH customers are aware that Scottish Water provides their drinking water.

There was a little less clarity for waste water (sewage) services with 68% of HH and 58% of NHH aware. Many believed it to be the Local Council / Authority or Scottish Government and 1 in 10 of HH customers didn't know.

View of who provides drinking water and waste water (sewage) services) – HH and NHH customers

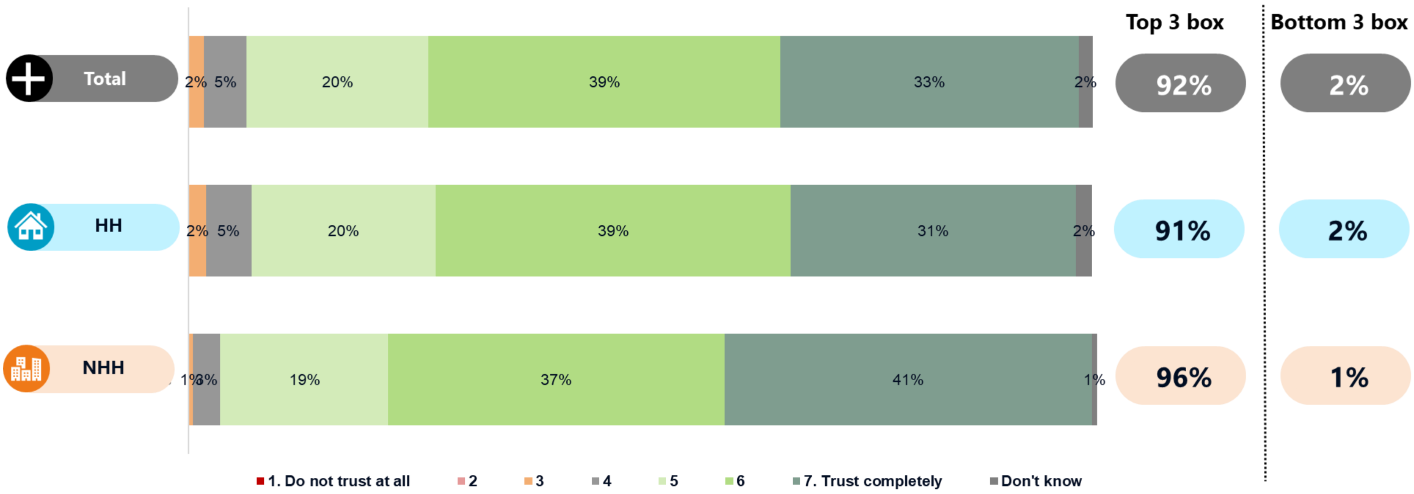


SW1a. Which ONE of the following provides drinking water services to your [DOMESTIC] home / [BUSINESS] business? ; SW1b. Which ONE of the following provides waste water (sewage) services to your [DOMESTIC] home / [BUSINESS] business?
DRINKING WATER: Total sample: 1265, HH: 1065, NHH: 200 ; WASTE WATER (SEWAGE): Total sample: 1215, HH: 1028, NHH: 187

Trust

When asked how much customers trust Scottish Water to provide water / waste water services on a 7-point scale (where 1 is do not trust at all and 7 is trust completely) it was reassuring to see a **very high level of trust** in Scottish Water with a 91% HH and 96% NHH top 3 box score (5 – 7 on the rating scale).

Trust in Scottish Water – HH and NHH customers

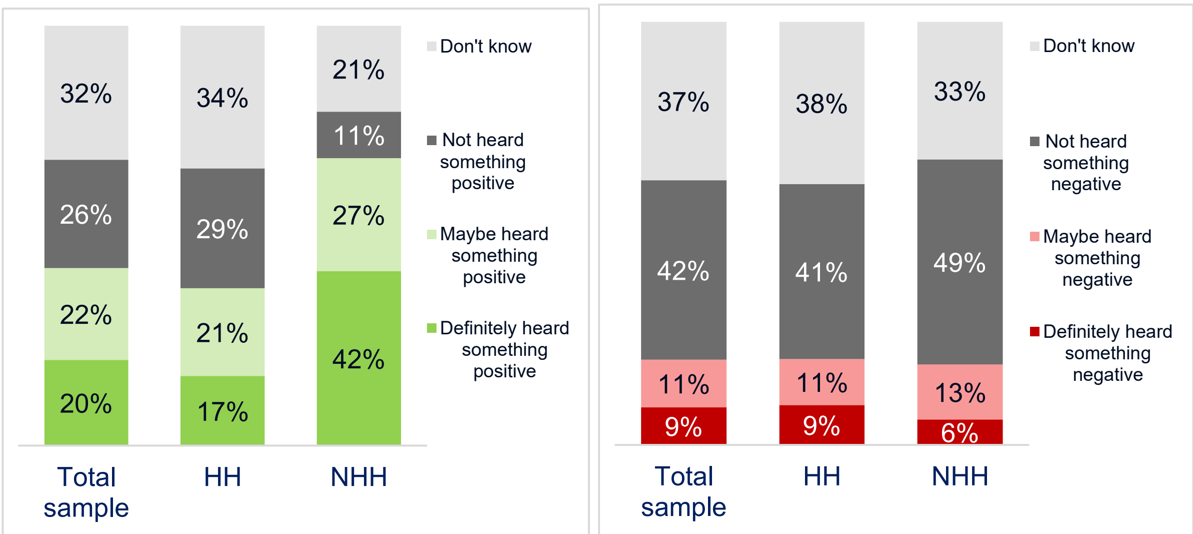


SW2a. And overall, to what extent, if at all, would you say you TRUST Scottish Water to provide your water / waste water (sewage) services? Please provide a score of 1 to 7, where 1 is do not trust at all and 7 is trust completely.
Total sample: 1265, HH: 1065, NHH: 200

Sentiment

Customers are more likely to have heard something positive about Scottish Water than something negative in the last six months (HH customers 38% positive vs 20% negative, NHH customers 69% positive vs 19% negative), however, around a third are unsure. NHH customers are much more likely to have heard something positive about Scottish Water.

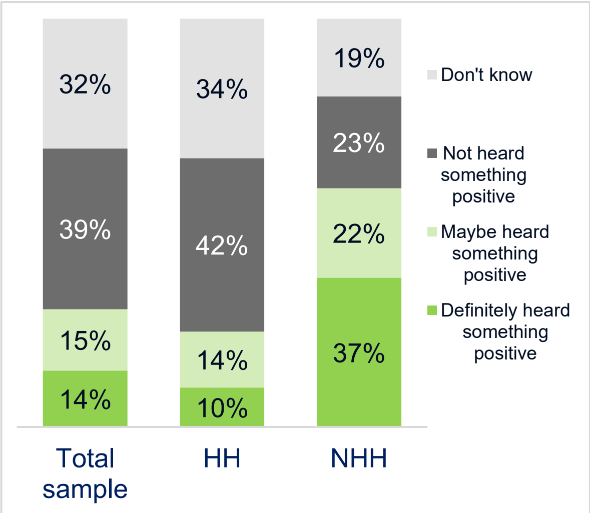
Whether heard anything positive or negative about Scottish Water in last six months – HH and NHH customers

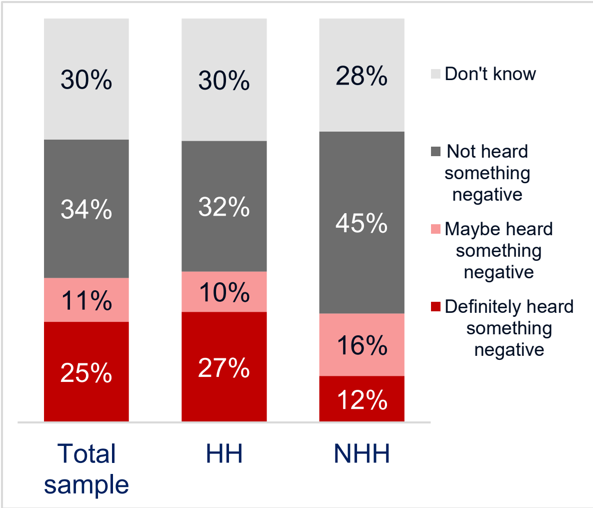


QD9A. In the last 6 months, have you heard anything positive or negative about Scottish Water e.g. on the TV, radio, online news or social media? ; QD9B In the last 6 months, have you heard anything positive or negative about the wider UK Water Sector e.g. on the TV, radio, online news or social media ? Total sample: 1265, HH: 1065, NHH: 200

Looking at the wider UK Water Sector, customers are far more likely to have heard something negative, particularly HH customers (36% wider water sector vs 20% Scottish Water).

Whether heard anything positive or negative about wider Water Sector in last six months – HH and NHH customers



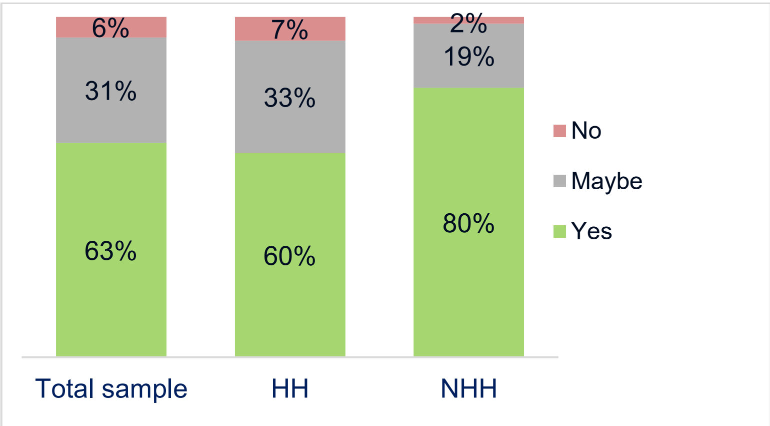


In the last 6 months, have you heard anything positive or negative about the wider UK Water Sector e.g. on the TV, radio, online news or social media?
Total sample: 1265, HH: 1065, NHH: 200

Communication

Customers are keen to receive more information on the final business plan (63% yes, 31% maybe vs 6% no). NHH are especially keen (80% yes compared to 60% of HH).

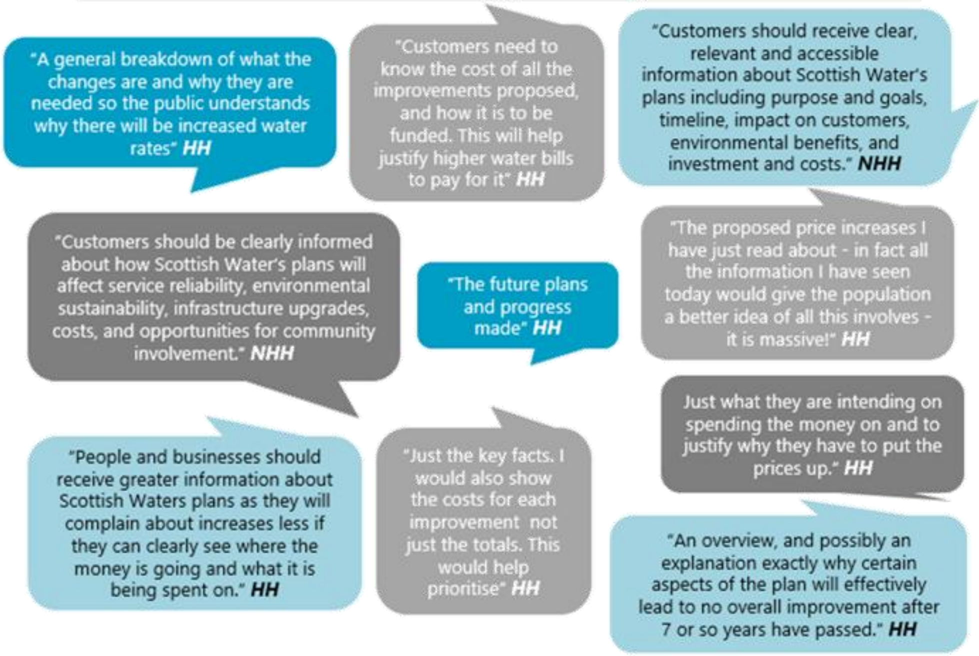
Whether helpful to receive more info on Scottish Water's business plan – HH and NHH customers



C1. Do you think it would be helpful for household and business customers to receive more information about Scottish Water's business plan?
Total sample: 1265, HH: 1065, NHH: 200

Many customers feel that understanding what Scottish Water is going to do, what it costs and marrying this cost to bill increases will make cost rises more palatable.

What information customers should receive



C2 Thinking about what you've read today, what information do you feel customers should receive about Scottish Water's plans? Total sample: 702, HH: 613, NHH: 89

7 Research Reflections

This final section of the report highlights key learnings from the research that have been documented to guide future engagement exercises. They are divided into three main sections – survey development, participant experience and analysis.

7.1 Survey Development

7.1.1 Educational materials

Considerable time was invested in designing the research format to translate Scottish Water's plans into appropriate stimulus material for a quantatitive survey. There is no single 'silver bullet' for doing this, but guiding principles emerging from the work include: using one page per investment area, providing a short description of the activity, explaining what Scottish Water will deliver during the investment period, and quantifying the outcome by showing performance at the start, now, and at the end of the period.

Materials should be kept as simple as possible, for example a straightforward infographic works better than a detailed chart, and the text should be under 200 words. Where performance is expected to deteriorate, this should be clearly explained.

Participants were reminded that both past and future results can be influenced by factors outside of Scottish Water's control, such as population changes, regulatory shifts, extreme weather, or heavy rainfall (see figure 2.) When exploring sector challenges, severe weather featured prominently alongside population change and ageing infrastructure. Among the seven investment areas, "unusually heavy rain" was referenced in four and "shifts between wet and dry weather" in two, creating an inherent dominance of severe weather in the justification for investment proposals.

Around one in five participants were either unconvinced that climate change is happening or did not view it as a problem. These particpants rated all seven investment areas significantly lower than average, particularly the carbon footprint proposal. Their responses may have been shaped by how the proposals were communicated, with an emphasis on changing weather patterns.

In future, presenting a broader framing that shows how the investments also address other sector challenges (e.g. infrastructure resilience, regulatory compliance, population growth) may help the proposals resonate more effectively with all audiences, including those who are unconvinced that climate change is happening or do not view it as a problem.

7.1.2 Qualitative feedback

People often find it easier to say what they like than to point out what is unclear or negative. Providing a text highlighter tool enabled participants to flag specific words or passages that caused confusion, offering more precise, interactive and engaging diagnostic feedback by allowing participants to comment directly on the text.

The use of an AI prompter built on initial open-ended responses by asking users for greater clarity and detail. On average, this generated 61% more explanatory information, providing richer and deeper insights on a case-by-case basis. This proved to be an efficient and engaging way of extracting greater value from each question.

7.1.3 Bill increases

During the first quantitative pilot exercise we observed unexpected response patterns and signs of confusion when asked the maximum increase in charges that could be afforded (R1) prior to seeing any information on the draft business plan. Around 10% of participants did not appear to fully understand what was being asked. To reduce confusion and improve data quality by ensuring participants clearly understand the intent of the question, it was modified to:

- Make it clear that the question is about an increase in charges
- Specify: "What is the highest total amount you could afford to pay per year?"
- Provide additional support with dynamic boxes that show the equivalent £ and % change compared with their current bill, helping them make more informed choices.

Feedback in the cognitive testing about bill increases highlighted the need to make it clearer that the cost-of-service increase is added to bills each year, in addition to inflation. Understanding improved when participants were shown a personalised example: "For you, a 4% annual price rise would mean paying £X more in 2032/33 than in 2026/27" (see figure 6.)

7.2 Participant experience

7.2.1 Survey accessibility

Participants completed the survey using mobile phones (62%), desktops (33%), and tablets (5%). The implication is that readability, navigation, and survey length need to be considered primarily from a mobile-first perspective in future quantitative research.

It was valuable to assign timestamps to each section of the survey to track its contribution to the overall length and to identify any drop-out points, due to the volume of reading material or the complexity of the subject matter.

Conducting cognitive interviews with real consumers to test the draft questionnaire proved to be essential and is strongly recommended for future. One-to-one interviews helped identify confusing language, unclear questions, and reading materials that risked differing interpretations. These interviews not only flagged potential sources of misunderstanding but also provided insight into how participants process and interpret information, enabling refinements to wording, structure, and flow.

7.2.2 Pilot

A pilot survey proved to be essential to formally evaluate survey length (both overall and by section), response rate, participant feedback, flow and logic, question performance and data integrity; ensuring all responses are captured correctly. Scottish Water and external stakeholders valued a formal report documenting what had been learnt and the changes recommended as a result.

In response to valuable learning from the pilot, changes were made to specific survey questions that would have made it inaccurate to compare data collected before and after the pilot. This was mitigated by replacing the initial data with fresh responses.

We recommend that a contingency be built into future surveys to allow for this possibility, as piloting often reveals refinements that can affect comparability. Allocating additional sample and time up front ensures any necessary adjustments can be made without compromising the robustness of the final dataset.

7.2.3 Survey Performance

At the end of the survey, participants rated their experience on a 1–5 scale (1 = very poor, 5 = very good) across four areas: survey length, ease of completion, ability to express their true opinion, and overall experience. Overall feedback was positive and confirmed participants perceived the survey positively and provided validation that the survey is well designed and does not create cognitive burden or frustration. This is likely due to the extensive testing conducted through multiple cognitive interviews and pilot runs. We recommend including questions of this nature on future surveys.

	Length of survey	**Ease of completion**	**Ability to express my true opinion**	**Overall experience**
Top 2 box %	76.8%	84.3%	89.6%	87%
Mean (scale 1-5)	4.1	4.3	4.4	4.4

7.3 Analysis

7.3.1 Analysis planning

Well in advance of producing the first results report, Create Clarity met with Scottish Water to agree the proposed report structure, customer segments for analysis (including preferred levels of aggregation and disaggregation), the choice of metrics (mean, median, top 2 box, etc.), and the most effective data visualisation approaches. This iterative process enabled early alignment, a more efficient analysis phase, and the opportunity to standardise approaches with other research and stakeholder expectations.

7.3.2 Benchmarking

Benchmarking was not possible due to inconsistencies in the metrics and methodologies used compared with other utility companies in similar research exercises (including energy and transport). For example, assessing “how reasonable” a proposed price rise is, rather than “how acceptable” or “how affordable” the proposals are. To enable meaningful comparison with other sectors, we recommend the adoption of more consistent measures. This would allow Scottish Water and stakeholders to contextualise results against benchmarks from similar industries such as energy and transport.

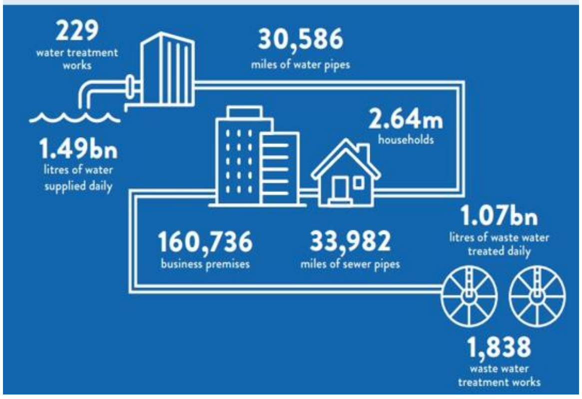
8 Appendix

8.1 Final stimulus

1. Stimulus 1 (Introduction to Scottish Water)

Introducing Scottish Water

- Scottish Water supplies **clean water to your taps**, and takes away **waste water** (e.g. sewage) from toilets & sinks, cleaning it so water can be safely returned to the environment.
- It maintains and operates reservoirs, pipes, sewers and treatment works across the length and breadth of Scotland, to serve **2.64 million homes** and **160,000 businesses**.
- It is **publicly owned**, independently **regulated** and answerable to the **Scottish Government**
- It is responsible for the water and waste water (sewage) pipes **up to the boundary of your property**.



2. Stimulus 2 (Challenges to the sector)

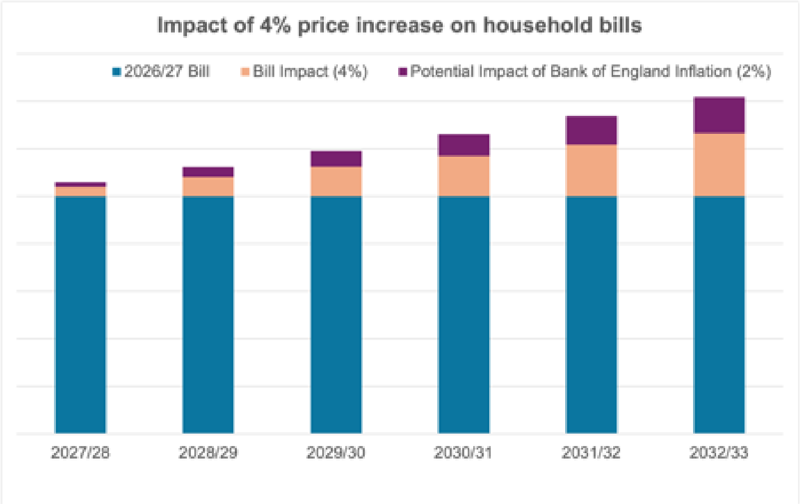
Water Sector Challenges

3. **Stimulus 3 (Inflation information and graph)**

Inflation
(info shown on screen)

- Inflation is how much more expensive everyday things like food and services become over time.
- The Bank of England's goal is to keep inflation at 2%, a target set by the UK Government.
- As of May 2025, inflation was 3.4%, meaning prices were, on average, 3.4% higher than a year before.
- However, no-one can really predict what inflation will do in the future.

- To be able to fund their business plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033. The effect of this on bills is shown below:
    - The orange section is the effect of a 4% increase every year from Scottish Water
    - The purple section is the effect of inflation if the Bank of England's target is met (2%)
    - These are shown in proportion to the blue – which is the size of your bill in 2026/27.
- In the next section you still see what this means for you. Because future inflation is unknown it is not included in what you will see.



4.1 Stimulus 4 (seven investment areas) – Drinking water quality

Scottish Water

Drinking Water Quality

Severe weather makes it harder to turn water stored in reservoirs into safe, high quality drinking water.

Heavy rain can wash debris into reservoirs, and hot weather increases the risk of algae.

Between 2027 and 2033, Scottish Water plans to:

- Improve water quality for around 1.35 million people by upgrading water treatment works
- Work with landowners to keep reservoir water clean

Outcome:

Over 250,000 water samples are tested each year to meet regulatory standards — *about one test every two minutes.*

% of samples that pass drinking water quality tests every year:

Below shows average previous performance and targets for the future

2021 to 2024	By 2027	By 2033
99.93%	99.93%	99.95%

This maintains current high performance

4.2 Stimulus 4 (seven investment areas) – Reliable supply of water

Scottish Water

Reliable Supply of Water

Warmer, drier summers and population growth affect water supply and demand.

More shifts between wet and dry weather causes the ground to move, breaking pipes and cutting off water supply for customers.

Between 2027 and 2033, Scottish Water plans to:

- Focus on areas with repeated water supply issues
- Improve drought resilience and connections between water supply networks in key areas

Outcome:

Reduce the number of postcodes that experience repeated water supply issues

*(Note: there are **over 160,000 postcodes** in Scotland).*

Postcodes with repeated water supply issues per year:

Below shows average previous performance and targets for the future

2021 to 2024	By 2027	By 2033
209 postcodes	240 postcodes	200 postcodes

Why it gets worse first

Ageing pipes are bursting more often and will be prioritised after 2027

This is a 17% improvement

4.3 Stimulus 4 (seven investment areas) – Internal sewer flooding

Scottish Water

Internal Sewer Flooding

Unusually heavy rain can overload sewers and may result in excess water coming into properties through toilets or sinks.

Between 2027 and 2033, Scottish Water plans to:

- Keep on top of how many properties are at risk of repeated internal sewer flooding.
- Upgrade the network where it's too small.
- Manage how much rain enters sewers by working with councils to create more green spaces to store it.
- Use technology to protect individual properties that have been affected by sewer flooding before.

Outcome:

300 out of 406 properties fixed, but we expect to find another 300 due to increased rain.

(Note: There are 2.64 million homes in Scotland)

Number of properties at risk of repeated internal sewer flooding per year:

Below shows average previous performance and targets for the future

2021 to 2024	By 2027	By 2033
330 properties	406 properties	406 properties

4.4 Stimulus 4 (seven investment areas) – External sewer flooding

Scottish Water

External Sewer Flooding

Unusually heavy rain can overload sewers and may result in excess water coming up through drains and flooding gardens, roads and outdoor spaces.

Between 2027 and 2033, Scottish Water plans to:

- Prioritise areas where external sewer flooding has the worst impact on communities.
- Upgrade the network where it's too small
- Use technology to prevent and reduce the risk of flooding.
- Manage how much rain enters sewers by working with councils to create more green spaces to store it.

Outcome:

Fix 624 areas where external sewer flooding has the worst impact, but expect to find another 768 due to increased rain

(Note: There are 2.64 million homes in Scotland)

Number of areas at risk of repeated external sewer flooding per year:

Below shows previous performance and targets for the future

2024	By 2027	By 2033
2906 areas	3052 areas	3196 areas

4.5 Stimulus 4 (seven investment areas) – Water leakage

Scottish Water

Water Leakage

Older water pipes are more likely to leak.

Climate change will increase shifts between wet and dry weather causing movements in the ground, cracking pipes and causing leaks.

Between 2027 and 2033, Scottish Water plans to:

- Triple the speed of replacing older water mains pipes made from materials prone to bursting.
- Ensure all 136,000 business customers have smart meters to spot leaks faster.

Outcome:

Reduce the amount of drinking water lost through leaks.

Megalitres (ML) lost per day due to leaks:

(1ML is 1 million litres and an Olympic swimming pool holds about 2.5ML)

Below shows average previous performance and targets for the future

2021 to 2024

455 ML lost per day

By 2027

448 ML lost per day

By 2033

400 ML lost per day

This is a 10% improvement
Long-term objective of 20% by 2050

4.6 Stimulus 4 (seven investment areas) – Environmental pollution and spills

Scottish Water

Environmental Pollution & Spills

The 4,080 Combined Sewer Overflows in Scotland act as a safety valve for the sewer network during unusually heavy rain.

When working correctly, they release 99% of rainwater safely into the environment and prevent excess coming up through toilets or street drains.

Between 2027 and 2033, Scottish Water plans to:

- Use technology to quickly detect issues with Combined Sewer Overflows.
- Fix High Priority Combined Sewer Overflows which are known to not be working correctly and have the most potential to affect the environment.
- Prepare designs to improve lower-priority overflows after 2033.

Outcome:

Remove all High Priority Combined Sewer Overflows.

Number of High Priority Combined Sewer Overflows:

Below shows previous performance and targets for the future

2024	By 2027	By 2033
145 left	125 left	None left

4.7 Stimulus 4 (seven investment areas) – Carbon footprint

Scottish Water

Carbon Footprint

Scottish Water is aiming to be a leader in mitigating climate change and to achieve net zero carbon emissions by 2040.

Net zero refers to achieving an overall balance between carbon emissions produced and emissions taken out of the atmosphere

Between 2027 and 2033, Scottish Water plans to:

- Cut costs and carbon with energy efficiency programmes to future proof operations.
- Plant 6 million trees across 4,000 hectares of new woodland
- Restore 500-1000 hectares of eroding peatland and care for existing peatland

Outcome:

Reduce greenhouse gas (including carbon) emissions, measured in kilotonnes of carbon dioxide equivalent.

One kilotonne of carbon dioxide is equivalent to ***600 petrol cars*** *on the road for a year.*

Carbon emissions measured in kilotonnes per year:

Below shows average previous performance and targets for the future

2021 to 2024	By 2027	By 2033
402 kilotonnes	**259 kilotonnes**	**85 kilotonnes**

This is a 67% improvement

5. Stimulus 5 (Draft business plan)

Scottish Water

Draft Business Plan for 2027-2033

Great value
- Partner with other organisations, drive efficiencies and reduce demand for water.
- Fair and affordable charges for customers.

Carbon footprint
- Reduce costs through energy efficiency and how land is managed to protect the water environment and support communities – helping Scottish Water to achieve net zero carbon emissions by 2040.

Maintain essential infrastructure
- Just over half of Scottish Water's investment will go to making sure infrastructure lasts as long as possible and is well looked after for future generations.

Drinking water
- Focus on delivering high standards of drinking water.
- Improve water treatment and storage.

Reliable water supply
- Target areas with repeated water supply issues.
- Improve drought resilience in key areas.
- Reduce drinking water lost from leaking pipes.

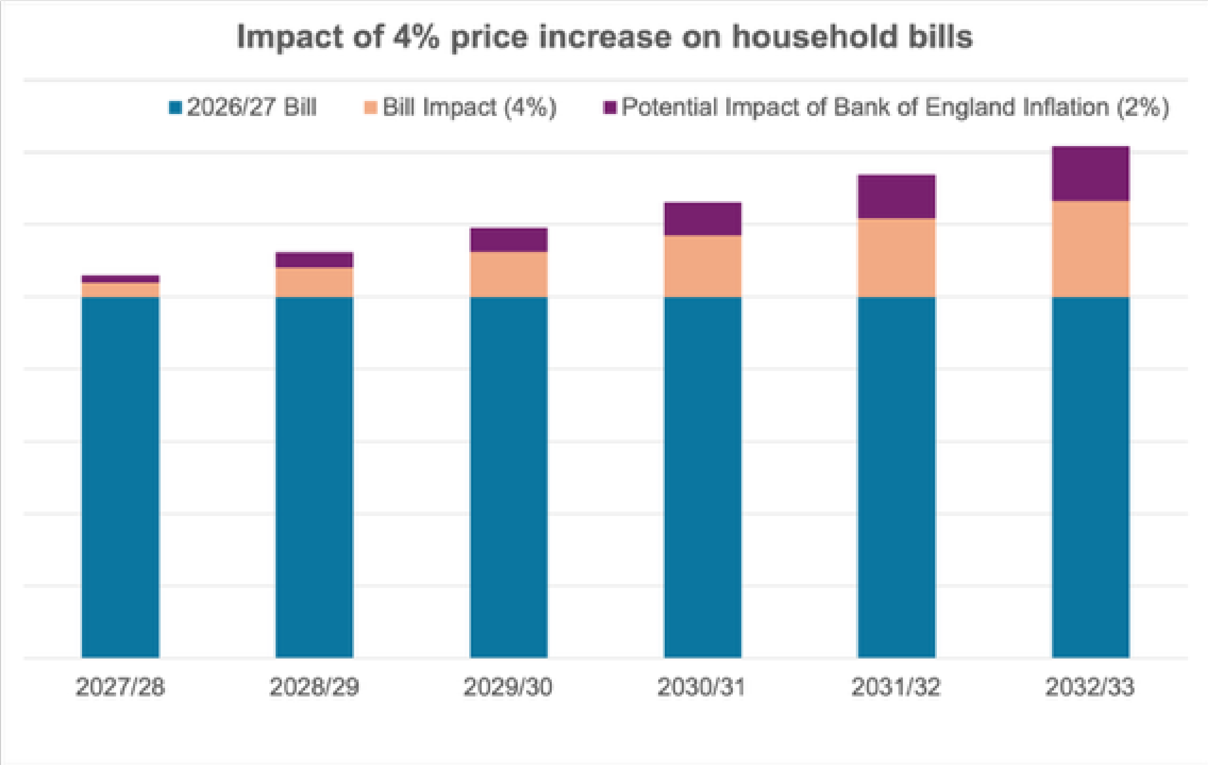
Sewer flooding
- Prioritise the highest impact external sewer flooding areas.
- Ensure no increase in sewer flooding inside homes.
- Partner with councils on nature-friendly approaches to reduce rainwater entering sewers.

Environmental pollution and spills
- Prioritise sewer overflows with most potential to affect the environment.

Encourage growth & support employment
- Provide water and waste services to 120,000 new homes.
- Recruit and train over 2,000 apprentices and graduates between Scottish Water and their supply chain

8.2 Additional graphics

6. Impact of 4% price increase on household bills



7. Responsive calculations within the survey

Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase.

Considering everything you have heard so far, and your own personal circumstances, what would be the **highest total bill amount** that you think you could afford to pay per year?

Please enter the **total bill per year** in the box provided.

To guide you, the following will be automatically generated:

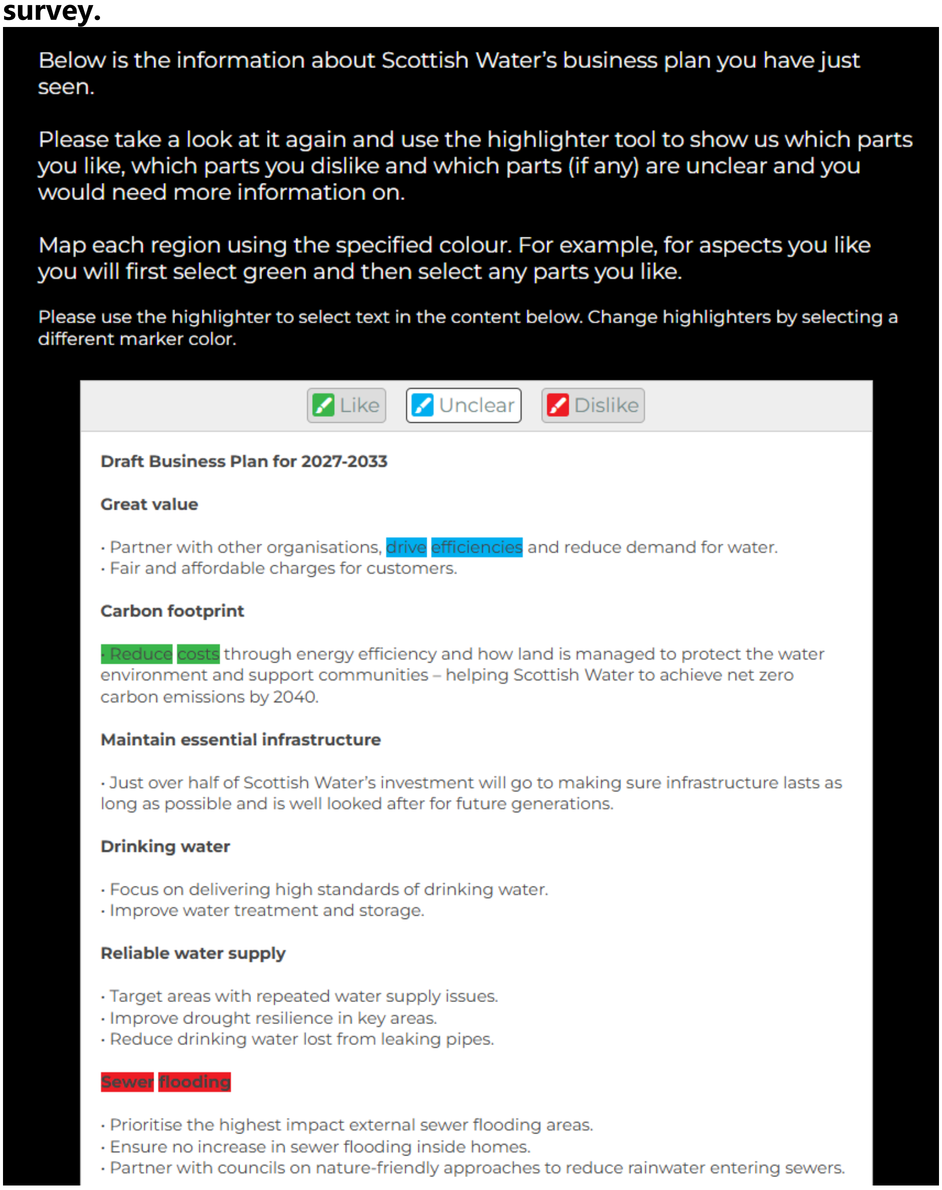
- Your current bill
- The equivalent annual increase
- The equivalent monthly increase
- The equivalent percentage increase

Please enter a whole number

Current amount	**Highest total bill per year you can afford**	Equivalent annual increase	Equivalent monthly increase	Percentage increase (%)
£300	£ **375**	£75.00	£6.25	25.00%

☐ I cannot currently afford to pay the bill I have so I could not pay any more

8. Techniques that retain participants attention and participation we used in the survey.



9. Personalised price information provided to customers.

What might this look like for your bill?

You are currently paying **£300** and we estimate that by 2026/2027 you will be paying £315 for the year.

To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, **every year** for 6 years between 2027 and 2033.

For you, a 4% annual price rise would mean that you will be paying £84 more in 2032/ 2033 than you will in 2026/2027.

Remember – because future inflation is unknown it is not included in what you will see.

The following table summarises the change in your bill.

You are currently paying	£300
Start of the 6 year business plan 2026/ 2027	£315
2027/ 2028	£328
2028/ 2029	£341
2029/ 2030	£355
2030/ 2031	£369
2031/ 2032	£383
End of the 6 year business plan 2032/ 2033	£399

8.3 Structure for presenting information on the SR27 Draft Business Plan to participants

1. Introduction of the business plan

Scottish Water is working on a Business Plan covering 2027 to 2033. It is the first step towards delivering their Long-Term Strategy. The plan is currently in draft stage with a final plan due in February 2026.

It will set out:

- *What Scottish Water will **deliver** for customers, communities and the environment over those six years*
- *What Scottish Water's customers will be **charged** for those services over those six years*

2. Why the business plan is needed, regulatory control and accountability

The plan is intended to:

- *Meet the objectives of the Scottish Government*
- *Meet regulatory requirements for drinking water quality and environmental protection*
- *Balance investment and cost to provide great value for customers, improve service for the current generation, and safeguard the interests of future generations.*

As it is publicly owned, every penny Scottish Water receives is reinvested into its services.

Between 2027 and 2033, just over half of Scottish Water's investment will go toward maintaining essential infrastructure.

This involves refurbishing, repairing and replacing infrastructure like pipes and treatment works to make sure that:

- *They last as long as possible before needing replacement.*
- *Future generations inherit well-maintained infrastructure.*
- *Infrastructure is better able to deal with the impact of climate change.*

3. Why there is a need to conduct research

*To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.*

Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase.

4. Letting customers have their say

On the next few screens you will see examples of some of the areas in which Scottish Water could invest.

For each investment area you will be provided with:

- *An explanation of what it is*
- *What Scottish Water are planning to do between 2027 and 2033*
- *What investment in this area might mean for the service they provide.*

This will be an example, as Scottish Water will be focussed on a range of service outcomes in each area.

Please remember past and future results can be affected by things out of Scottish Water's control, like population changes, changes to regulation, extreme weather or heavy rainfall.

8.4 Changes made to the survey after cognitive testing

Topic	Finding	Update to questionnaire
Introduction of bills	Original preamble created confusion about where the section was headed	Added to the introduction text *"We are now going to look at water and waste water bills"*
Background information throughout	Warning required to prepare customer for several paragraphs of information for them to read	Added *"This survey includes some background information to give you context, and we're keen to hear your thoughts on it"*
Inflation and Scottish Water increases	Participants found the explanation of inflationary increases alongside Scottish Water increases confusing and asked for more clarity that the price rise over seven years was accumulative	Included a bar chart showing the impact of both increases. Used bold text on key words such as "**every year**". Used a table to demonstrate what Scottish Water price rises in their individual case would look like, whilst reminding them that inflation was on top of this.

Stimulus – Internal sewer	Confusion around the word 'resolved'. Unsure of the link between 300 and 406 properties.	Amended 'resolved' to 'fixed' and updated the stimulus to *"300 out of 406 properties fixed, but we expect to find another 300 due to increased rainfall"*
Stimulus - Pollution	Customers found the use of 'overflow' confusing	Updated *"Number of sewer overflows not working acceptably per year"* to *"Number of high priority combined sewer overflows"*. Changed the outcome bubbles from *"893 overflows"* to *"145 left"* etc.
Stimulus – Plan on a page	Participants found the three sections confusing and weren't sure of the relevance.	Rather than using dividers to separate key sections - *"Great value and financial stability"*, *"Beyond net zero emissions"* and *"Service excellence"*, these headers were removed and the plan information presented in one format
Language used	Certain words were confusing and needed to be amended	"*Assets*" was changed to "*infrastructure*" throughout "*water continuity*" was changes to "*reliable water supply*"
Stimulus – Carbon Footprint	There was confusion around what 'net zero' is	We added in a simple explanation of what net zero is.
Seven investment areas stimulus	Headings originally used on the bubbles that show change over time were met with confusion	Amended from *"end of 2024/25"* to "*2023-2024*". Amended from "*end of 2026/27*" to "*by 2027*". Amended from "*end of 2032/33*" to "*by 2033*"

8.5 Additional comments

The following are additional comments when asked why customers feel 'very positive' or 'very negative' about the investment areas.

Additional positive responses about investment area propositions

Drinking water quality

Why they feel very positive about drinking water quality

"Maintaining high quality water is vital" ***NHH***

"Drinking water quality is essential for our health, and Scottish water is lovely to drink. Not only are we lucky to have good quality water to drink, it also cuts down on single use plastic if we can drink tap water in our homes and in hospitality venues." ***HH***

"Because they are going to maintain our brilliant tasting water which is the best in the world." ***HH***

"Because it has to do with the wellbeing of people and portable and clean drinking water is essential to mankind.." ***NHH***

"I had previously not considered the effect of heavy rainfall on drinking water, so this sounds like vital work" ***HH***

"Very high percentage that is getting even higher is very good thing." ***HH***

"We have some of the cleanest water in the world and I hope that they can keep up the work that they do and keep our water in tip top condition." ***NHH***

"So important to maintain good quality drinking water, as more debris and algae gives Scottish water a great deal of work to do in repairs and upgrading." ***HH***

"I feel this is very positive because it shows Scottish Water is investing in long-term service reliability, infrastructure improvements, and environmental protection." ***NHH***

"Since water is life, this is very essential in having the best of it." ***NHH***

"We should be proud that Scottish drinking water is of such a high quality. We need to invest in ensuring that remains the case. I wouldn't want to see us ending up in a similar situation to that south of the border." ***HH***

"Improving water quality is important to me and my family, especially with young children at home . Investing in better treatment process monitoring gives me confidence that the water we use is safe and clean." ***HH***

Reliable supply of water

Why they feel very positive about reliable supply of water

"It will make sure there is continuous and available water supply." ***NHH***

"Any actions taken to ensure that we have a reliable clean source of drinking water is essential for all of us." ***HH***

"I feel so positive because more houses and businesses will no longer experience water supply issues" ***NHH***

"I wasn't aware that there were areas in Scotland that experienced water supply issues. Of course this has to be addressed and the steps outlined on the previous screen are very positive." ***HH***

"A 17% positive increase" ***HH***

"Every home should have a reliable water supply" ***NHH***

"Nobody in Scotland should have water supply issues in this day and age!" ***HH***

"Reliable water supply is a top priority and working to ensure that any challenges that could come up to prevent this is very welcome." ***HH***

"It will help fix the issue of water scarcity and it is a good thing because water is very essential." ***HH***

"Water is essential for many aspects of life. Hydration, cooking and cleaning, too name just 3 and its availability is essential" ***HH***

"I feel it is positive because they highlight on focusing on areas with severe water supply issues." ***NHH***

Reducing environmental pollution and spills

Why they feel very positive about reducing environmental pollution and spills

"I feel this is very positive because it shows Scottish Water is investing in long-term service reliability, infrastructure improvements, and environmental protection." ***NHH***

"It will make control of flooding/leakage more efficient and reduce damage to the environment." ***HH***

"Sewage spills are never good, and bad for the environment. To eliminate them would be fantastic." ***NHH***

"Using technology to detect issues with overflow" ***NHH***

"Scottish Water has a good track record of ensuring that our environmental impact in minimised. We need to keep investing to ensure the environment is protected. " ***HH***

"This is an ambitious goal but I am happy to see that Scottish Water feel it is achievable." ***HH***

"It shows a concern to improve the system and prevent future mishaps." ***HH***

"This is a very ambitious target, but it would be wonderful for everyone, and the environment if it was met." ***NHH***

"With climate change meaning more severe weather we have to be prepared for such things as floods etc..." ***NHH***

"Zero spillage is an ambitious target. However, I think that Scottish Water is doing a good job up until now, especially compared to other water authorities." ***HH***

"I just feel that we need our water system to work for us - we need to be sure our water is clean, readily available and all sewage is not causing any pollution to our environment. Any steps that Scottish Water can take to ensure that this high standard is good" ***HH***

"I think the proposed investment plans seems sensible and necessary to maintain and improve the water and waste services . It's good to see a focus on long term infrastructure and sustainability , especially considering the climate change." ***HH***

Reducing leakage

Why they feel very positive about reducing leakage

"I feel plans are positive because they prioritise leak reduction and long-term efficiency because they will save water and operating costs over time, which benefits both the environment and customers." ***NHH***

"Any measures to save water is positive." ***HH***

"Because the amount of drinking water being lost is far more than I could have anticipated.." ***HH***

"Less leakage means more water" ***NHH***

"Because they are looking to fix things before they get out of hand" ***HH***

"Fixing leaks is a positive position and helps all of us saving water to be used like it is supposed to be used" ***HH***

"The more water we can save the better. If climate change means more drought, we must conserve all the water we have." ***HH***

"They ensure each NHH owner has their own smart meter" ***NHH***

"If they can stem the flow of water from pipe leaks, then more water remains in the reservoir, and hopefully reduce the need for more price increases" ***NHH***

"It demonstrates a forward-thinking approach that will deliver long term benefits for customers and the environment" ***NHH***

"Water should not be wasted in any circumstance." ***NHH***

"Because it tackles leakage proactively, speeds up pipe replacement, and uses smart meters to spot issues faster, which helps save water and protect the environment.." ***HH***

"I feel very positive because Scottish Water's plan to triple the replacement of old pipes and install smart meters for businesses will significantly reduce water loss, improve efficiency, and help address the impacts of climate change on infrastructure." ***HH***

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Internal sewer flooding

Why they feel very positive about internal sewer flooding

"The thought of internal sewage flooding during heavy rains is scary and I would not want that to happen for anyone." ***HH***

"Scottish Water's proactive approach to monitoring the number of properties at risk of repeated internal sewer flooding shows their dedication to protecting customers' homes and wellbeing. By staying on top of these risks, they can prioritize improvements" ***HH***

"Proactive planning" ***NHH***

"Never had this problem and don't want to experience it" ***NHH***

"Living in Scotland, flooding and excess rainwater can be an issue. We need to ensure our infrastructure can cope with that." ***HH***

"Flooding of sewers is a serious risk to health, so work to prevent it is essential." ***HH***

"Looking out for properties that may be at risk is definitely a good way to look out for their customers" ***NHH***

"Internal water and sewage coming into your house via toilets, sinks baths etc does not bear thinking about. If this can be fixed quickly before the next severe downpour then that is a plus and a relief from all households." ***HH***

"It needs substantial investment as more properties will be prone to flooding due to increased rainfall." ***HH***

"I've had this particular issue and they dealt with it rapidly. I trust they will continue to work to improve this." ***HH***

"Looking out for properties that may be at risk is definitely a good way to look out for their customers" ***HH***

"This is really slow process but very important" ***NHH***

"its important because it will help mitigate the level of sewer brought back to homes due to flooding and reduce inconveniencies for most households" ***NHH***

External sewer flooding

Why they feel very positive about external sewer flooding

"Using technology to prevent and reduce external sewer flooding is a positive action" ***NHH***

"I think this investment is necessary to provide safe sanitation." ***HH***

"No one wants sewage anywhere anytime" ***HH***

"Scottish Water is using innovative solutions to prevent and respond to external sewage flooding such as smart monitoring systems, predictive analytics and upgraded infrastructure." ***HH***

"Discharges affect rivers, wildlife and our environment. Reducing these discharges can only be a good thing" ***HH***

"They are really making great decisions in areas of high flooding and this is a very huge importance to the economy" ***NHH***

"It is important as it will reduce the spread of disease and bacterial to human being and prevent the outbreak of diseases." ***NHH***

"External sewage leaking affects health and environment. I would pay higher to stop this happening but your proposals look like you are on top of it" ***HH***

"Because they are looking forward to getting things fixed before they become a disaster" ***HH***

"I am reassured that Scottish Water will take appropriate action before the problem worsens and make overall improvement to an otherwise ageing system" ***HH***

"Because I think it's extremely important that sewage is not permitted to escape into the natural environment such as lochs and rivers where it can do a huge amount of damage to Scotland's freshwater biodiversity." ***HH***

"Sewer flooding is awful and definitely needs a more substantial plan to deal with it" ***NHH***

Why they feel very positive about carbon footprint

Carbon footprint

"Anything that reduces the carbon footprint is positive, we all need to help fix this issue" ***HH***

"This sounds a very ambitious target, but incredibly positive in its contribution towards our environmental targets." ***HH***

"A 67% improvement in carbon capture is amazing and very important as climate change is getting worse year on year." ***HH***

"Given the issues south of the border with privatised companies failing to provide for the environment or for customers, and focussing only on profit, we're lucky to have a public organisation like Scottish Water who do care for the environment and reinvest" ***HH***

"A 67% improvement in carbon emission and they would also be planting trees, it's a beautiful plan." ***NHH***

"If you look at England you can see that even though I live in the sparsely populated Highlands, Scottish Water provides a first class service whilst being mindful of our special environment." ***HH***

"The plant of trees will improve our atmosphere in a very positive way" ***NHH***

"I didn't know they planted trees etc. Excellent work" ***HH***

"Reducing carbon footprint is essential and replanting woodland will help stabilise eco systems and be beneficial to wildlife" ***HH***

"For the environment it is important to reduce carbon footprint" ***NHH***

"Yes, It is highly expected that every sectors in life should include environmental maintenance in all their budgets to tackle climate change." ***NHH***

"It's a forward-thinking approach that not only helps protect the environment but also ensures the long-term sustainability and resilience of their operations." ***NHH***

Additional negative responses about investment area propositions

Why they feel very negative about drinking water quality

Drinking water quality

"No significant difference" ***HH***

"I can't afford Scotland's constant price rises" ***HH***

"The quality of our water is extremely low compared to previous years & polluted with heavy metals detrimental to health" ***HH***

"The increase is negligible" ***HH***

"Cost of living is making this unacceptable" ***HH***

"Cause I have issues with my cold water mains tap I still get dirt coming through my tap even though there is filters, it stops my water flow running efficiently, I do clean the filters but I have been having this problem for years, plus I have dirt coming" ***HH***

"Expensive" ***HH***

"People can't afford this rise" ***HH***

"The water company's lack of planning isn't the customers fault, It's Scottish waters management." ***HH***

Why they feel very negative about reliable supply of water

Reliable supply of water

"The % for improvement is very low." ***HH***

"The water management are just corrupt, like all the privatised industries, high time they were renationalised." ***HH***

"People's bills will go up immediately, to pay for infrastructure change, but fixing burst pipes will not start until 2027. Please explain." ***HH***

"Because they are contradictory in their message. Too much rain, then saying the climate will be too dry" ***HH***

"Not much improvement" ***HH***

"why does everything in Scotland take so long to sort out? It's about time we ditched the Scottish nazi party" ***HH***

"The number of pipes fixed per year should be much higher than only a 17% improvement over 6 years" ***HH***

"Absolutely no net improvement which is dismal considering the projected price increases" ***HH***

"The increase is negligible" ***HH***

"Not a large enough reduction in post codes affected in the next 8 years" ***NHH***

"This is made up nonsense" ***HH***

"Most people can't afford it" ***HH***

Reducing leakage

Why they feel very negative about this reducing leakage

"Appalling wastage" ***HH***

"Need to do more and quickly" ***NHH***

"No real improvement over 6 years" ***HH***

"Too expensive not a lot of changes that justify the price hike" ***HH***

"The raising cost are going to impact us the payer whom already are paying a ridiculous amount." ***HH***

"These improvements appear immaterial to justify the proposed price increases" ***HH***

"Not a great improvement over the timescale provided" ***HH***

"Doesn't seem a very aggressive target. 20% would be better" ***HH***

"Instead of paying the executives huge bonuses and pensions. Perhaps they could use that money to upgrade their services and not pass on the costs to the customers." ***HH***

"It's a lot of waste" ***HH***

"Huge financial increase" ***HH***

"Residents shouldn't be asked to pay these increases" ***HH***

"If maintenance was consistent larger problems would be avoided but we all know 80% of UK local authorities are bankrupt" ***HH***

"Ridiculous amount being lost via long term neglect" ***HH***

Reducing environmental pollution and spills

Why they feel very negative about reducing environmental pollution and spills

"Don't see how there would be none left" ***HH***

"The costs are far too high for this to work" ***HH***

"Because Scottish water should be prepared for this." ***HH***

"Because we don't need technology for our water systems." ***HH***

"Consistent maintenance would solve larger problems" ***HH***

"They are rubbish, all they want is my money." ***HH***

"Unsustainable and ineffective in cost" ***HH***

"Again, this is all due to immigration and we shouldn't have to pay for it" ***HH***

Internal sewer flooding

Why they feel very negative about internal sewer flooding

"Because the number is getting higher" ***HH***

"Because I would have thought a 9 year improvement plan WOULD reduce the number by at least 50%.....or even aim to eradicate all sewage spills" ***HH***

"Not good that more properties are at risk of flooding." ***HH***

"Water was privatised many years ago with the promise of more investment and modernization of the system. Why has it got worse and why am I now having to pay more. Do the shareholders and directors need more dividends and bonuses." ***HH***

"I can't imagine anything worse than sewage coming into someone's home" ***HH***

"As it is actually increasing the number of houses at risk rather than. Improving" ***HH***

"It is a very great increase" ***HH***

"The target is basically to stand still i.e. no improvement. because the word maintain is used." ***HH***

"The aim of this target is to reduce these events, not increase them" ***NHH***

"Because their information is contradictory" ***HH***

"Most likely more houses risk of sewer flooding" ***NHH***

"The executives should give up their bonuses to support their industries." ***HH***

Why they feel very negative about external sewer flooding

External sewer flooding

"This idea doesn't solve the problem needs a more proactive idea" ***HH***

"The aim is for these events to reduce, not increase" ***NHH***

"This number should be reducing." ***HH***

"Over inflation investment and the situation is getting considerably worse" ***HH***

"It's quite a big increase" ***HH***

"Getting worse year by year" ***HH***

"It's worse than now" ***HH***

"Far too big an increase and everyone is struggling already" ***HH***

"I believe they should have started long before now." ***HH***

"Because the numbers show a continuous increase through the years....not a reduction....???" ***HH***

"Deterioration is unacceptable considering the unreasonable increase in price" ***HH***

"We should be having less issues instead of more." ***HH***

"Because the numbers are worse in 2032 after all of the investment" ***HH***

"With the amount of money around, and technology, this figure should be reducing, not remaining static" ***NHH***

Why they feel very negative about carbon footprint

Carbon footprint

"Sick to death hearing about net zero, it is an excuse to put prices up and continue to fleece the public." ***HH***

Too late"" ***HH***

"Because we are being gaslighted & lied to about the so called environmental problems which cause the price hikes are a scam" ***HH***

"Global warming is nature." ***HH***

"Climate change is unproven nonsense" ***HH***

"Too much emphasis on carbon footprint nowadays" ***HH***

"Because climate change is not real, it is a natural occurrence and Scottish Water should NOT be planting trees." ***HH***

"Carbon footprint should be overlooked considering the unreasonable projected increase of 4% above inflation, which by itself will fuel further inflation, same as similar unreasonable pricing structures on telecoms" ***HH***

"Carbon footprint is the most stupid thing ever. Its not even reducing the bills we pay." ***HH***

"The people cannot afford to fund this carbon neutral nonsense. I would not be impressed if my bills rose for this." ***HH***

"Why is this the priority?" ***HH***

"It's a waste of time and money" ***HH***

"I don't feel this should be a key focus and I'm tired of hearing about net zero" ***HH***

"Because so much damage has already been done" ***HH***

"Too little too late" ***NHH***

8.6 Final questionnaire

0099 Scottish Water SR27

Sample definition	Sample size
Household customers online sample	N=900
Household digitally excluded face-to-face sample	N=100
Non household customers online sample	N=200

QUOTAS (DOMESTIC CUSTOMERS MAIN SAMPLE)

NON-INTERLOCKING. +/- 5%

GENDER (QUESTION S1)	
Male	49%
Female	51%
AGE (QUESTION S2)	
16 – 24 years old	13%
25 – 34 years old	15%
35 – 44 years old	15%
45 – 54 years old	16%
55 – 64 years old	17%
65 +	24%
REGION (QUESTION S3)	
Aberdeen and Aberdeenshire	9%
Angus, Dundee, Perth, Kinross, Stirling	10%
Clackmannanshire, Fife, Falkirk	11%
Dumfries & Galloway	3%
Argyll and Bute, East Dunbartonshire, West Dunbartonshire	5%
East Ayrshire, North Ayrshire, South Ayrshire	7%
East Lothian, Midlothian, West Lothian	7%
East Renfrewshire, Renfrewshire	5%
Inverclyde	1%
Edinburgh	9%
Glasgow	11%
North Lanarkshire, South Lanarkshire	12%
Orkney Islands, Shetland Islands, Eilean Siar	1%
Scottish Borders	2%
Highlands (Inverness, Nairn, Moray, Strathspey, ~~Eilean Siar~~)	6%
SOCIAL GRADE (QUESTIONS S7-S8b)	
AB	21%
C1	35%
C2	21%
DE	23%
COUNCIL TAX BAND (QUESTION S12c)	
A	20%
B	22%
C	16%
D	14%
E	14%
F	8%
G	5%
H	1%

TEXT IN ORANGE = SCRIPTING INSTRUCTIONS
SHOW ALL:
Welcome! Thank you for taking part in this survey. It should take 15-20 minutes to complete. This survey includes some background information to give you context, and we're keen to hear your thoughts on it.
This survey is completely confidential, and all data is collected and processed in compliance with all data protection laws and the Market Research Society Professional Code of Conduct. Providing information to these questions is entirely voluntary and the answers that you provide will be presented in aggregate form and will not be linked back to you in any way.

Screener

DEMOGRAPHIC QUOTA CHECK

SHOW ALL:
We will start with some quick questions to make sure that a wide range of people take part.

ASK ALL
S1. Which of the following describes how you think of yourself? Please tick one option.
SINGLECODE

Male	1	
Female	2	
In another way	3	
Prefer not to say	4	SCREEN OUT

CHECK QUOTAS
ASK ALL
S2. What age are you?
Please type in.
NUMERIC WRITE IN, MINIMUM 16, MAXIMUM 99

	years old

CODE QHIDAGE

16 – 24 years old	1	
25 – 34 years old	2	
35 – 44 years old	3	
45 – 54 years old	4	
55 – 64 years old	5	
65 +	6	

CHECK QUOTAS
ASK ALL
S3a. In which of the following council areas do you live in?
SINGLECODE, SHOW ALPHABETICAL DROP-DOWN LIST

Aberdeen City	1	Inverclyde	18
Aberdeenshire	2	Midlothian	19
Angus	3	Moray	20

Argyll & Bute	4	North Ayrshire	21
Clackmannanshire	5	North Lanarkshire	22
Dumfries & Galloway	6	Orkney Islands	23
Dundee City	7	Perth and Kinross	24
East Ayrshire	8	Renfrewshire	25
East Dunbartonshire	9	Scottish Borders	26
East Lothian	10	Shetland Islands	27
East Renfrewshire	11	South Ayrshire	28
Edinburgh, City of	12	South Lanarkshire	29
Eilean Siar	13	Stirling	30
Falkirk	14	West Dunbartonshire	31
Fife	15	West Lothian	32
Glasgow City	16	None of these **SCREEN OUT**	99
Highland	17		

CODE QHIDREGION

Aberdeen and Aberdeenshire	1	**CODE 1 OR 2 AT S3a**
Angus, Dundee, Perth, Kinross, Stirling	2	**CODE 3, 7, 24 OR 30 AT S3a**
Clackmannanshire, Fife, Falkirk	3	**CODE 5, 14 OR 15 AT S3a**
Dumfries & Galloway	4	**CODE 6 AT S3a**
Argyll and Bute, East Dunbartonshire, West Dunbartonshire	5	**CODE 4, 9 OR 31 AT S3a**
East Ayrshire, North Ayrshire, South Ayrshire	6	**CODE 8, 21 OR 28 AT S3a**
East Lothian, Midlothian, West Lothian	7	**CODE 10, 19 OR 32 AT S3a**
East Renfrewshire, Renfrewshire	8	**CODE 11 OR 25 AT S3a**
Inverclyde	9	**CODE 18 AT S3a**
Edinburgh	10	**CODE 12 AT S3a**
Glasgow	11	**CODE 16 AT S3a**
North Lanarkshire, South Lanarkshire	12	**CODE 22 OR 29 AT S3a**
Orkney Islands, Shetland Islands	13	**CODE 23 OR 27 AT S3a**
Scottish Borders	14	**CODE 26 AT S3a**
Highlands (Inverness, Nairn, Moray, Strathspey, Eilean Sar)	15	**CODE 13, 17 OR 20 AT S3a**

CHECK QUOTAS

ASK ALL

S3b. Do you or any members of your family work in any of these industries or occupations?

MULTICODE EXCEPT FOR CODE 8, RANDOMISE ALL EXCEPT CODE 8

Market research	1	**SCREEN OUT**
Advertising and public relations	2	**SCREEN OUT**
Water sector (e.g. drinking water, waste water, sewage treatment)	3	**SCREEN OUT**
Journalism	4	**SCREEN OUT**
Electricity generation or distribution	5	
Gas generation or distribution	6	

Finance or accounting	7	
Hospitality	8	
None of these **(EXCLUSIVE)**	99	

BUSINESS CUSTOMER SCREENERS

ASK ALL IF BUSINESS QUOTA OPEN. IF BUSINESS QUOTA FULL GO STRAIGHT TO S6A

ASK ALL

S4a. Which of the following best describes your personal working status?

SINGLECODE

Work full or part time	1	**GO TO S4b**
Retired	2	**ROUTE AS DOMESTIC CUSTOMER GO TO S6a**
Homemaker or stay-at-home parent	3	
Student	4	
Unemployed	5	
Other	6	

IF S4a=1, ASK

S4b. Does your organisation have separate business premises (i.e. does it have a location other than your home)? **SINGLE CODE**

SINGLECODE

We have no separate business premises	1	**ROUTE AS DOMESTIC CUSTOMER GO TO S6a**
We work in a separate business premises at least some of the time	2	**GO TO S4c**

IF S4b=2, ASK

S4c. Which of the following best describes your responsibility in terms of managing your business's water and waste water (sewage) bills? **SINGLE CODE**

I solely or jointly manage the bills	1	
I have some involvement in the bills – paying or decision making	2	
I have no involvement with the bills – paying or decision making	3	**ROUTE AS DOMESTIC CUSTOMER GO TO S6a**
Don't know	4	**ROUTE AS DOMESTIC CUSTOMER GO TO S6a**
Prefer not to say	5	**ROUTE AS DOMESTIC CUSTOMER GO TO S6a**

IF S4C=1, 2 ASK

S4d. How would you describe your decision-making authority within your business?

SINGLE CODE

I am solely responsible for business decisions	1	**GO TO S5a**
I have some responsibility for business decisions	2	**GO TO S5a**
I have very little responsibility for business decisions	3	**ROUTE AS DOMESTIC CUSTOMER GO TO S6a**
I have no responsibility for business decisions	4	
Prefer not to say	5	

ASK IF CODE 1 OR 2 AT S4d

S5a. For your water supply, does your business have:

(Please select one of the following)

SINGLECODE

Mains water supply	1	**GO TO S5b**
Private water supply	2	**ROUTE AS DOMESTIC CUSTOMER GO TO S6a**
Don't know	3	

ASK IF CODE 1 OR 2 AT S4d AND CODE 1 AT S5a

S5b. For your waste water (sewage) services, does your business have:

(Please select one of the following)

SINGLECODE

Mains waste water (sewage) supply	1	
Septic tank	2	
Don't know	3	

S5c. How much does your company spend on water {**[IF CODE 1 OR 3 AT S5b]** and waste water (sewage)] services? Please select the value closest to that listed below

SINGLECODE

Per year			
£500	1	£7,500	11
£750	2	£10,000	12
£1,000	3	£20,000	13
£1,250	4	£30,000	14
£1,500	5	£40,000	15
£1,750	6	£50,000	16
£2,000	7	£60,000	17
£3,000	8	£70,000	18
£4,000	9	£80,000	19
£5,000	10	£100,000	20

Don't know	98 **ROUTE TO DOMESTIC SAMPLE S6a**
Prefer not to say	99 **ROUTE TO DOMESTIC SAMPLE S6a**

CAPTURE AMOUNT AT S5c AS QHIDBILLVALUE

S5d. Where is your organisation based? If your organisation has multiple sites, please provide the information for the site where you mostly work.

SINGLECODE, SHOW ALPHABETICAL DROP-DOWN LIST

Aberdeen City	1	Inverclyde	18
Aberdeenshire	2	Midlothian	19
Angus	3	Moray	20
Argyll & Bute	4	North Ayrshire	21
Clackmannanshire	5	North Lanarkshire	22
Dumfries & Galloway	6	Orkney Islands	23
Dundee City	7	Perth and Kinross	24
East Ayrshire	8	Renfrewshire	25
East Dunbartonshire	9	Scottish Borders	26
East Lothian	10	Shetland Islands	27
East Renfrewshire	11	South Ayrshire	28
Edinburgh, City of	12	South Lanarkshire	29
Eilean Siar	13	Stirling	30
Falkirk	14	West Dunbartonshire	31
Fife	15	West Lothian	32
Glasgow City	16	None of these	99 **ROUTE TO DOMESTIC SAMPLE S6a**
Highland	17		

CODE QHIDNHHREGION

Aberdeen and Aberdeenshire	1	**CODE 1 OR 2 AT S9d**
Angus, Dundee, Perth, Kinross, Stirling	2	**CODE 3, 7, 24 OR 30 AT S9D**
Clackmannanshire, Fife, Falkirk	3	**CODE 5, 14 OR 15 AT S9D**
Dumfries & Galloway	4	**CODE 6 AT S9D**
Argyll and Bute, East Dunbartonshire, West Dunbartonshire	5	**CODE 4, 9 OR 31 AT S9D**
East Ayrshire, North Ayrshire, South Ayrshire	6	**CODE 8, 21 OR 28 AT S9D**
East Lothian, Midlothian, West Lothian	7	**CODE 10, 19 OR 32 AT S9D**
East Renfrewshire, Renfrewshire	8	**CODE 11 OR 25 AT S9D**
Inverclyde	9	**CODE 18 AT S9D**
Edinburgh	10	**CODE 12 AT S9D**
Glasgow	11	**CODE 16 AT S9D**
North Lanarkshire, South Lanarkshire	12	**CODE 22 OR 29 AT S9D**
Orkney Islands, Shetland Islands	13	**CODE 23 OR 27 AT S9D**
Scottish Borders	14	**CODE 26 AT S9D**
Highlands (Inverness, Nairn, Moray, Strathspey, Eilean Sar)	15	**CODE 13, 17 OR 20 AT S9D**

QHIDSAMPLE:

1 = DOMESTIC

CODE 2,3,4,5,6 at S4a
OR
CODE 1 at S4b
OR
CODE 3, 4 or 5 AT S4d
OR
CODE 2 OR 3 AT S5a
OR
CODE 98 OR 99 AT S5c
OR
CODE 99 AT S5d

2 = BUSINESS

CODE 1 AT S4a
AND
CODE 2 AT S4b
AND
CODE 1 OR 2 AT S4d
AND
CODE 1 AT S5a
AND
CODE S5c NOT 98,99
AND
CODE S5d NOT 99

ONCE THE BUSINESS SAMPLE IS COMPLETE, CODE AS QHIDSAMPLE DOMESTIC AND CONTINUE AS A DOMESTIC CUSTOMER.
DOMESTIC CUSTOMER SCREENER
ASK ALL QHIDSAMPLE DOMESTIC
S6a. How would you describe the occupation type of the chief income earner in your household?
SINGLECODE

Senior managerial or professional	1	
Intermediate managerial, administrative or professional	2	
Supervisor; clerical; junior managerial, administrative or professional	3	
Manual worker (with industry qualifications)	4	
Manual worker (with no qualifications)	5	
Unemployed	6	
Retired	7	
Student	8	
Prefer not to say	9	

IF S6a =7 (RETIRED), ASK, ELSE SKIP TO S7a

S6b. Does the main income earner have a state pension, a private pension or both?

SINGLECODE

State only	1	**GO TO S7a**
Private and/or occupational only	2	**GO TO S6c**
Both	3	**GO TO S6c**

IF S6b= 2 OR 3

S6c. How would you describe the main income earner's occupation before retirement?

SINGLECODE

Senior managerial or professional	1	
Intermediate managerial, administrative or professional	2	
Supervisor; clerical; junior managerial, administrative or professional	3	
Manual worker (with industry qualifications)	4	
Manual worker (with no qualifications)	5	
Unemployed	6	
Student	7	
Prefer not to say	8	

CODE QHIDSEG

S6a=1 OR 2 **S6a=7 AND S6b=2 OR 3 AND S6c=1 OR 2**	**AB**	
S6a=3 OR 8 **S6a=7 AND S6b=2 OR 3 AND S6c=3**	**C1**	
S6a=4 **S6a=7 AND S6b=2 OR 3 AND S6c=4**	**C2**	
S6a=5 OR 6 OR 7 **S6a=7 AND S6b=1** **S7=6a AND S6b=2 OR 3 AND S6c=5 OR 6 OR 7**	**DE**	
S6a=9	**NOT STATED**	

CHECK QUOTAS

ASK QHIDSAMPLE DOMESTIC ONLY

S7a. Which of the following best describes your responsibility in terms of paying your household water and waste water (sewage) bills through your council tax payments?

SINGLECODE

Yes, fully responsible	1	
Yes, partly responsible	2	
No, I am not responsible	3	**SCREEN OUT IF NOT CODE 1 AT S2**

IF S7a = 3 AND S2 = NOT CODE 1 SCREEN OUT

QHIDFUTURE = (S2=1) AND (S7a=3) CHECK QUOTA. QHIDFUTURE IS PART OF QHIDDOMESTIC.

ASK QHIDSAMPLE DOMESTIC ONLY

S7b. Which of the following council tax bands applies to your property?

If you are unsure, you can click on the following link and put your postcode into the purple search bar to confirm it: https://www.saa.gov.uk/

SINGLECODE

Band A	1	
Band B	2	
Band C	3	
Band D	4	
Band E	5	
Band F	6	
Band G	7	
Band H	8	
I don't pay council tax as I am a student	9	**AUTOCODE CODE 3 AT S7c and GO TO S7d**
Don't Know	99	**SCREEN OUT**

Just over half of households served by Scottish Water are provided with some form of affordability support - either a discount or exemption, on their council tax bill - for example if they are a student, receive welfare or income related benefits, or if they receive a single person discount.

ASK QHIDSAMPLE DOMESTIC ONLY

S7c. Do you receive a discount on your council tax bill?

MULTICODE EXCEPT FOR CODE 4,99

Yes, because I receive a single person discount	1	
Yes, because I receive benefits (for example welfare or income related)	2	
I don't pay council tax because I'm a student	3	**EXCLUSIVE**
No – I don't receive a discount	4	**EXCLUSIVE**
Don't know	99	**EXCLUSIVE**

QHIDDISCOUNT1 = 25% IF S7c =1 ONLY
QHIDDISCOUNT2 = 35% IF S7c = 2 ONLY OR S7c =1 AND 2
QHIDDISCOUNT3 = 100% IF S7b = 9 OR S7c = 3
QHIDDISCOUNT4 = 0% IF S7c =4 OR 99

ASK QHIDSAMPLE DOMESTIC ONLY

S7d. For your water supply, does your property have:

(Please select one of the following)

SINGLECODE

Mains water supply	1	
Private water supply	2	**SCREEN OUT**
Don't know	3	**SCREEN OUT**

ASK QHIDSAMPLE DOMESTIC ONLY

S7e. For your waste water (sewage) services, does your property have:

(Please select one of the following)

SINGLECODE

Mains waste water (sewage) supply	1	
Septic tank	2	
Don't know	3	

QHIDWATERANDWASTE (S7d=1 AND S7e=1 or 3) OR (S5a =1 or 3 AND S5b = 1 or 3)
QHIDWATERONLY (Code 2 at S7e) OR (S5a = 1 or 3 AND S5b = 2)

Scottish Water awareness, knowledge and views

SHOW ALL:
IF QHIDSAMPLE BUSINESS SHOW:
In this survey we are interested in your views about the water supply you have **at your place of work**, and what your company's future needs may be.
IF QHIDSAMPLE DOMESTIC SHOW:
In this survey we are interested in your views about the water supply you have **at your home** and what your household's future needs may be.
ASK ALL
SW1a. Which ONE of the following provides drinking water services to your **[DOMESTIC]** home / **[BUSINESS]** business?
BUSINESS: This may not be the same company that you pay your water bill to.

SINGLE CODE

Local Council/ Authority	1	
Scottish Water	2	
Scottish Government	3	
Private Supply	4	
Local Water Board	5	
Housing Association/ Landlord	6	
A Licenced Provider **[BUSINESS ONLY]**	7	
Other	98	
Don't know	99	

ASK ALL QHIDWATERANDWASTE
SW1b. Which ONE of the following provides waste water (sewage) services to your **[DOMESTIC]** home / **[BUSINESS]** business?
BUSINESS: This may not be the same company that you pay your waste water (sewage) services bill to.

SINGLE CODE

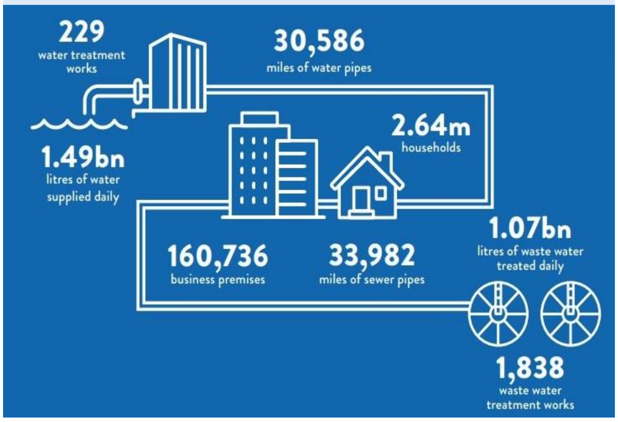
Local Council/ Authority	1
Scottish Water	2
Scottish Government	3
Private Supply	4

Local Water Board 5
Housing Association/ Landlord 6
A Licenced Provider **[BUSINESS ONLY]** 7
Other 98
Don't know 99

ASK ALL – SLIDE 1
We are now going to talk about Scottish Water. Please read the information below about who Scottish Water are and what they do.

Introducing Scotti

- Sco
-
-
-



ASK ALL:
SW2a. And overall, to what extent, if at all, would you say you **TRUST** Scottish Water to **provide your water / waste water (sewage) services**? Please provide a score of 1 to 7, where 1 is do not trust at all and 7 is trust completely.

SINGLECODE

1 Do not trust at all	1	
2	2	
3	3	
4	4	
5	5	

6	6	
7 Trust completely	7	
Don't know	8	

Introducing Bills

We are going to look at water and waste water bills now.
For the majority of households in Scotland, your water and waste water (sewage) charges are collected by your local authority alongside your council tax, on behalf of Scottish Water .
All businesses receiving services from Scottish Water must pay for them through their Licensed Provider (LP). In some cases, payment may be made via landlords.

ALL QHIDDOMESTIC AND QHIDWATERANDWASTE BUT NOT QHIDFUTURE OR QHIDDISCOUNT3
You told us that your council tax is **[INSERT BAND FROM S7b].**
The annual water and waste water (sewage) bill for your council tax band in 2025/2026 (which took effect from 1st April 2025) is **[INSERT VALUE FROM TABLE H: 'NO DISCOUNT COLUMN' FOR TAX BAND FROM S7b. CAPTURE AS QHIDBILLVALUE]**

ALL QHIDDOMESTIC AND QHIDWATERONLY BUT NOT QHIDFUTURE OR QHIDDISCOUNT3
You told us that your council tax is **[INSERT BAND FROM S7b].**
The annual water and bill for your council tax band in 2025/2026 (which took effect from 1st April 2025) is **[INSERT VALUE FROM WATER ONLY TABLE I: NO DISCOUNT COLUMN FOR TAX BAND FROM S7b. CAPTURE AS QHIDBILLVALUE]**

IF QHIDFUTURE OR RECEIVES A 100 % DISCOUNT (QHIDDISCOUNT3)
You told us that you currently don't pay water bills. Council Tax Band B is the most common banding in Scotland, with a water and waste water (sewage) bill of **[FROM TABLE H: 'NO DISCOUNT COLUMN' FOR TAX BAND B]. CAPTURE AS QHIDBILLVALUE]** per year.
However, the water and waste water (sewage) bill can range from £400 to £1,201 per year.

IF CUSTOMER RECEIVES A 25% DISCOUNT (QHIDDISCOUNT1)
Because you receive a single person 25% discount on your council tax, you will also receive a 25% reduction on water and waste water (sewage) services. This could reduce a typical bill for your council tax band to around **[IF QHIDWATERONLY: INSERT VALUE FROM TABLE I: SINGLE PERSON 25% DISCOUNT COLUMN FOR TAX BAND FROM S7b. CAPTURE AS QHIDBILLVALUEDISC] [IF QHIDWATERANDWASTE: INSERT VALUE FROM TABLE H: SINGLE PERSON 25% DISCOUNT COLUMN FOR TAX BAND FROM S7b. CAPTURE AS QHIDBILLVALUEDISC]**.

IF CUSTOMER RECEIVES A 35% DISCOUNT (QHIDDISCOUNT2)
Due to your circumstances, you will receive a discount on your water and waste services. This discount varies with a maximum discount of 35% available. This could reduce the bill for your council tax band to around **[IF QHIDWATERONLY: INSERT VALUE FROM TABLE I: FULL**

DISCOUNT 35% COLUMN FOR TAX BAND FROM S7b CAPTURE AS QHIDBILLVALUEDISC] [IF QHIDWATERANDWASTE: INSERT VALUE FROM TABLE H: FULL DISCOUNT 35% COLUMN FOR TAX BAND FROM S7b CAPTURE AS QHIDBILLVALUEDISC]. The exact amount you pay may differ based on your individual situation and the discount applied.

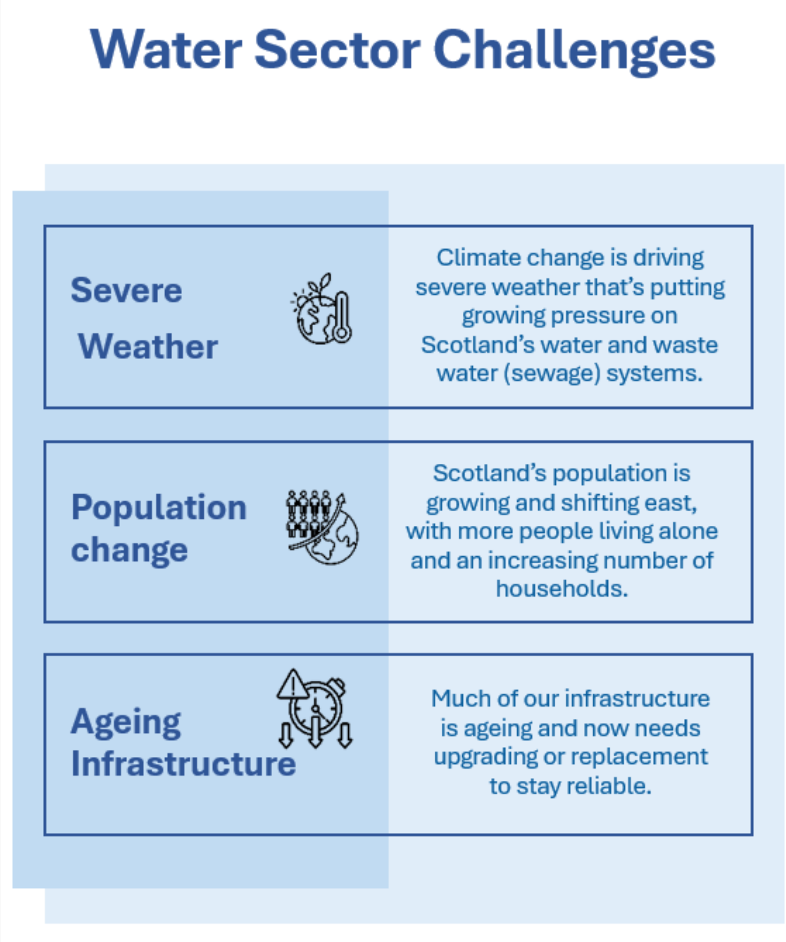
The future of Water and Waste Water services in Scotland

SHOW ALL (SCREEN 2)

Scottish Water has a Long-Term Strategy outlining plans for the next 25 years to keep Scotland's water and waste water (sewage) services sustainable, reliable, and affordable for future generations.

Scottish Water is planning for an uncertain future, as Scotland faces major changes that are likely to continue over the next 25 years. The key challenges Scottish Water is preparing for include:

SHOW SLIDE 2



Scottish Water Business Plan overview

Scottish Water's Draft Business Plan
Scottish Water is working on a Business Plan covering 2027 to 2033. It is the first step towards delivering their Long-Term Strategy. The plan is currently in draft stage with a final plan due in February 2026.
It will set out:
- What Scottish Water will **deliver** for customers, communities and the environment over those six years
- What Scottish Water's customers will be **charged** for those services over those six years

The plan is intended to:
- Meet the objectives of the Scottish Government
- Meet regulatory requirements for drinking water quality and environmental protection
- Balance investment and cost to provide great value for customers, improve service for the current generation, and safeguard the interests of future generations.

As it is publicly owned, every penny Scottish Water receives is reinvested into its services.
NEW SCREEN
Between 2027 and 2033, just over half of Scottish Water's investment will go toward maintaining essential infrastructure.
This involves refurbishing, repairing and replacing infrastructure like pipes and treatment works to make sure that:
- They last as long as possible before needing replacement.
- Future generations inherit well-maintained infrastructure.
- Infrastructure is better able to deal with the impact of climate change.

Spontaneous affordability

NEXT PAGE
NOTE TO PROGRAMMER- PLEASE BOLDEN ALL USES OF QHIDBILLVALUE / QHIDBILLVALUEDISC ON SCREEN
ALL QHIDBUSINESS AND QHIDWATERANDWASTE
You told us that your business water and waste water (sewage) bill is currently around **[INSERT QHIDBILLVALUE FROM S5c].**

ALL QHIDBUSINESS AND QHIDWATERONLY
You told us that your business water bill is currently around **[INSERT QHIDBILLVALUE FROM S5c].**

ALL QHIDDOMESTIC AND QHIDWATERANDWASTE
As a reminder, your water and waste water (sewage) bill is currently **[INSERT QHIDBILLVALUEDISC OR IF N/A QHIDBILLVALUE]**

ALL QHIDDOMESTIC AND QHIDWATERONLY

As a reminder, your current water bill for your council tax band is [INSERT QHIDBILLVALUEDISC OR IF N/A QHIDBILLVALUE]

ALL QHIDFUTURE OR QHIDDISCOUNT3

As a reminder, even though you don't currently pay water bills, Council Tax Band B is the most common banding in Scotland, with a water and waste water (sewage) bill of [INSERT QHIDBILLVALUE], however the bill can range from £400 to £1,201 per year, depending on the council band.

COLD VIEW

R1. Scottish Water sets customer charges annually. In order to maintain services in light of the challenges you have heard about, customer charges will need to increase.
Considering everything you have heard so far, and [QHIDDOMESTIC your own personal circumstances [QHIDBUSINESS: your businesses circumstances], what would be the **highest total bill amount** that you think [QHIDDOMESTIC you [QHIDBUSINESS: your business] could afford to pay per year?
Please enter **total bill per year** in the box provided.
To guide you, the following will be automatically generated:

- **Your current bill**
- **The equivalent annual increase**
- **The equivalent monthly increase**
- **The equivalent percentage increase**

FREE TEXT. WHOLE NUMBERS ONLY.
FOR PROGRAMMERS:
COL1 – CURRENT AMOUNT
COL2 – HIGHEST TOTAL BILL PER YEAR YOU CAN AFFORD
COL3 – EQUIVALENT ANNUAL INCREASE
COL4 – EQUIVALENT MONTHLY INCREASE
COL5 – PERCENTAGE INCREASE (%)

Current amount	**Highest total bill per year you can afford**	Equivalent annual increase	Equivalent monthly increase	Percentage increase (%)
[INSERT QHIDBILLVALUEDISC OR IF N/A QHIDBILLVALUE]	**£**	AUTOPOPULATE COL2 - COL1	AUTOPOPULATE COL3/12	AUTOPOPULATE (COL2 - COL1)/COL1*100

ALLOW RESPONDENTS TO ENTER IN FOLLOWING TWO BOXES AS LONG AS COL 2 IS NOT POPULATED.

I cannot afford to pay my current bill amount so I could not pay any more CHECK BOX ☐

IF BOX CHECKED "CANNOT CURRENTLY AFFORD TO PAY THEIR BILL" ASK:

You said you cannot afford your current bill of **[INSERT QHIDBILLVALUEDISC OR IF N/A QHIDBILLVALUE]**, what is the maximum total bill per year could you afford to pay? **ENTER WHOLE VALUE. MUST BE LESS THAN QHIDBILLVALUE/ QHIDBILLVALUEDISC.**

£

PROGRAMMER: SITTING ALONGSIDE THIS BOX, COULD WE HAVE AUTOPOPULATED THE MONTH AMOUNT THIS EQUATES TO (IE. WHAT THEY ENTER PLEASE DIVIDE BY 12)

£ **AUTO MONTHLY**

INFLATION – INFO SHOWN ON SCREEN

Inflation is how much more expensive everyday things like food and services become over time.

The Bank of England's goal is to keep inflation at 2%, a target set by the UK Government. As of May 2025, inflation was 3.4%, meaning prices were, on average, 3.4% higher than a year before.

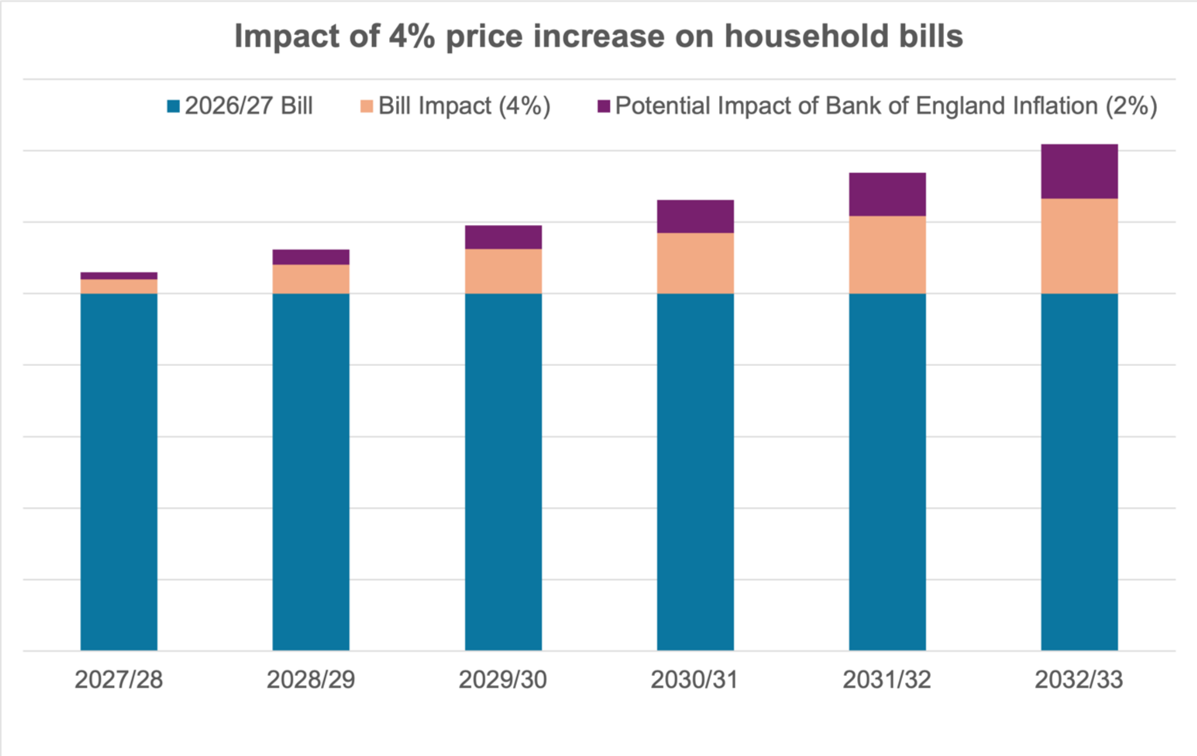
However, no-one can really predict what inflation will do in the future.

SHOW ALL

To be able to fund their business plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033. The effect of this on bills is shown below:

- The **orange** section is the effect of a **4% increase every year** from Scottish Water
- The **purple** section is the effect of inflation if the Bank of England's target is met (2%)
- These are shown in proportion to the **~~dark~~ blue** – which is the size of your bill in 2026/27.

In the next section you still see what this means for you. Because future inflation is unknown it is not included in what you will see.



ASK FOR QHIDDOMESTIC ONLY AND QHIDWATERANDWASTE BUT NOT QHIDFUTURE OR QHIDDISCOUNT3

What might this look like for your bill?

ASK IF NO DISCOUNT APPLIED: QHIDDISCOUNT4=0 AND QHIDWATERANDWASTE.
PROGRAMMING: USE TABLE A

You are currently paying **[QHIDBILLVALUE],** and we estimate that by 2026/2027 you will be paying **[INSERT VALUE FROM 'TABLE A: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** for the year.

To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, **every year** for 6 years between 2027 and 2033.

For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE A: 'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** more in 2032/ 2033 than you will in 2026/2027.

CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE A:'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B].

Remember – because future inflation is unknown it is not included in what you will see.

The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM 'TABLE A: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM 'TABLE A: '2027/ 2028' FOR COUNCIL BAND FROM S7B]**

2028/ 2029	**[INSERT VALUE FROM ‘TABLE A: ‘2028/ 2029’ FOR COUNCIL BAND FROM S7B]**
2029/ 2030	**[INSERT VALUE FROM ‘TABLE A: ‘2029/ 2030’ FOR COUNCIL BAND FROM S7B]**
2030/ 2031	**[INSERT VALUE FROM ‘TABLE A: ‘2030/ 2031’ FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM ‘TABLE A: ‘2031/ 2032’ FOR COUNCIL BAND FROM S7B]**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM ‘TABLE A: ‘END OF THE 6 YEAR PERIOD’ FOR COUNCIL BAND FROM S7B]**

ASK IF 25% DISCOUNT APPLIED: QHIDDISCOUNT1=25% AND QHIDWATERANDWASTE.
PROGRAMMING: USE TABLE B
You are currently paying **[QHIDBILLVALUEDISC],** and we estimate that by 2026/2027 you will be paying **[INSERT VALUE FROM TABLE B: ‘START OF 6 YEAR PERIOD’ FOR COUNCIL BAND FROM S7B]** for the year.
To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.
For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE B: ‘CHANGE IN BILL OVER 6 YEAR PERIOD’ FOR COUNCIL BAND FROM S7B]** more in 2032/ 2033 than you will in 2026/2027.
CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE B:‘CHANGE IN BILL OVER 6 YEAR PERIOD’ FOR COUNCIL BAND FROM S7B].
Remember – because future inflation is unknown it is not included in what you will see.
The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM ‘TABLE B: ‘START OF 6 YEAR PERIOD’ FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM ‘TABLE B: ‘2027/ 2028’ FOR COUNCIL BAND FROM S7B]**
2028/ 2029	**[INSERT VALUE FROM ‘TABLE B: ‘2028/ 2029’ FOR COUNCIL BAND FROM S7B]**
2029/ 2030	**[INSERT VALUE FROM ‘TABLE B: ‘2029/ 2030’ FOR COUNCIL BAND FROM S7B]**

2030/ 2031	**[INSERT VALUE FROM 'TABLE B: '2030/ 2031' FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM 'TABLE B: '2031/ 2032' FOR COUNCIL BAND FROM S7B]**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM 'TABLE B: 'END OF THE 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**

ASK IF 35% DISCOUNT APPLIED: QHIDDISCOUNT2=35% AND QHIDWATERANDWASTE.
PROGRAMMING: USE TABLE C
You are currently paying **[QHIDBILLVALUEDISC],** and we estimate that by 2026/2027 you will be paying **[INSERT VALUE FROM TABLE C: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** for the year.
To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.
For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE C: 'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** more in 2032/ 2033 than you will in 2026/2027.
CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE C:'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B].
Remember – because future inflation is unknown it is not included in what you will see.
The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM 'TABLE C: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM 'TABLE C: '2027/ 2028' FOR COUNCIL BAND FROM S7B]**
2028/ 2029	**[INSERT VALUE FROM 'TABLE C: '2028/ 2029' FOR COUNCIL BAND FROM S7B]**
2029/ 2030	**[INSERT VALUE FROM 'TABLE C: '2029/ 2030' FOR COUNCIL BAND FROM S7B]**
2030/ 2031	**[INSERT VALUE FROM 'TABLE C: '2030/ 2031' FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM 'TABLE C: '2031/ 2032' FOR COUNCIL BAND FROM S7B]**

End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM 'TABLE C: 'END OF THE 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**

ASK FOR QHIDFUTURE OR QHIDDISCOUNT3

What might this look like for your bill?

PROGRAMMING: USE TABLE A

As you don't currently pay water bills we will apply the most typical water and waste water (sewage) bill which is currently **[QHIDBILLVALUE]** per year and we estimate that by 2026/2027 you would be paying **[INSERT VALUE FROM 'TABLE A: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND B]** for the year.

To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.

For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE A: 'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND B]** more in 2032/ 2033 than you will in 2026/2027.

CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE A:'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND B].

Remember – because future inflation is unknown it is not included in what you will see.

The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM 'TABLE A: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM 'TABLE A: '2027/ 2028' FOR COUNCIL BAND FROM S7B]**
2028/ 2029	**[INSERT VALUE FROM 'TABLE A: '2028/ 2029' FOR COUNCIL BAND FROM S7B]**
2029/ 2030	**[INSERT VALUE FROM 'TABLE A: '2029/ 2030' FOR COUNCIL BAND FROM S7B]**
2030/ 2031	**[INSERT VALUE FROM 'TABLE A: '2030/ 2031' FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM 'TABLE A: '2031/ 2032' FOR COUNCIL BAND FROM S7B]**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM 'TABLE A: 'END OF THE 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**

ASK FOR QHIDDOMESTIC ONLY AND QHIDWATERONLY BUT NOT QHIDFUTURE OR QHIDDISCOUNT3

<u>What might this look like for your bill?</u>

<u>ASK IF NO DISCOUNT APPLIED:</u> QHIDDISCOUNT4=0 AND QHIDWATERONLY.
PROGRAMMING: USE TABLE D

You are currently paying **[QHIDBILLVALUE],** and we estimate that by 2026/2027 you will be paying **[INSERT VALUE FROM 'TABLE D: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** for the year.

To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.

For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE D: 'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** more in 2032/ 2033 than you will in 2026/2027.

CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE D:'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B].

Remember – because future inflation is unknown it is not included in what you will see.

The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM 'TABLE D: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM 'TABLE D: '2027/ 2028' FOR COUNCIL BAND FROM S7B]**
2028/ 2029	**[INSERT VALUE FROM 'TABLE D: '2028/ 2029' FOR COUNCIL BAND FROM S7B]**
2029/ 2030	**[INSERT VALUE FROM 'TABLE D: '2029/ 2030' FOR COUNCIL BAND FROM S7B]**
2030/ 2031	**[INSERT VALUE FROM 'TABLE D: '2030/ 2031' FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM 'TABLE D: '2031/ 2032' FOR COUNCIL BAND FROM S7B]**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM 'TABLE D: 'END OF THE 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**

<u>ASK IF 25% DISCOUNT APPLIED:</u> QHIDDISCOUNT1=25% AND QHIDWATERONLY.
PROGRAMMING: USE TABLE E

You are currently paying **[QHIDBILLVALUEDISC],** and we estimate that by 2026/2027 you will be paying **[INSERT VALUE FROM TABLE E: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** for the year.

To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.

For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE E: 'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** more in 2032/ 2033 than you will in 2026/2027.
CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE E:'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B].
Remember – because future inflation is unknown it is not included in what you will see.
The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM 'TABLE E: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM 'TABLE E: '2027/ 2028' FOR COUNCIL BAND FROM S7B]**
2028/ 2029	**[INSERT VALUE FROM 'TABLE E: '2028/ 2029' FOR COUNCIL BAND FROM S7B]**
2029/ 2030	**[INSERT VALUE FROM 'TABLE E: '2029/ 2030' FOR COUNCIL BAND FROM S7B]**
2030/ 2031	**[INSERT VALUE FROM 'TABLE E: '2030/ 2031' FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM 'TABLE E: '2031/ 2032' FOR COUNCIL BAND FROM S7B]**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM 'TABLE E: 'END OF THE 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**

ASK IF 35% DISCOUNT APPLIED: QHIDDISCOUNT2=35% AND QHIDWATERONLY. PROGRAMMING: USE TABLE F
You are currently paying **[QHIDBILLVALUEDISC],** and we estimate that by 2026/2027 you will be paying **[INSERT VALUE FROM TABLE F: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** for the year.
To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.
For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE F: 'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]** more in 2032/ 2033 than you will in 2026/2027.
CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE F:'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B].
Remember – because future inflation is unknown it is not included in what you will see.
The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**

Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM 'TABLE F: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM 'TABLE F: '2027/ 2028' FOR COUNCIL BAND FROM S7B]**
2028/ 2029	**[INSERT VALUE FROM 'TABLE F: '2028/ 2029' FOR COUNCIL BAND FROM S7B]**
2029/ 2030	**[INSERT VALUE FROM 'TABLE F: '2029/ 2030' FOR COUNCIL BAND FROM S7B]**
2030/ 2031	**[INSERT VALUE FROM 'TABLE F: '2030/ 2031' FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM 'TABLE F: '2031/ 2032' FOR COUNCIL BAND FROM S7B]**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM 'TABLE F: 'END OF THE 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**

ASK FOR QHIDBUSINESS ONLY
PROGRAMMING: USE TABLE G
You are currently paying **[QHIDBILLVALUE],** and we estimate that by 2026/2027 you will be paying **[INSERT VALUE FROM TABLE G: 'START OF 6 YEAR PERIOD' FOR COLUMN MATCHING S5C 'FINANCIAL YEAR']** for the year.
To be able to fund the plan, Scottish Water will need to increase charges by 4% **above** inflation, every year for 6 years between 2027 and 2033.
For you, a 4% annual price rise would mean that you will be paying **[INSERT VALUE FROM TABLE G: 'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COLUMN MATCHING S5C 'FINANCIAL YEAR']** more in 2032/ 2033 than you will in 2026/2027.
CAPTURE THIS AS QHIDSR27BILL1 = VALUE FROM TABLE G:'CHANGE IN BILL OVER 6 YEAR PERIOD' FOR COLUMN MATCHING S5C 'FINANCIAL YEAR'].
Remember – because future inflation is unknown it is not included in what you will see.
The following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM 'TABLE G: 'START OF 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**
2027/ 2028	**[INSERT VALUE FROM 'TABLE G: '2027/ 2028' FOR COUNCIL BAND FROM S7B]**
2028/ 2029	**[INSERT VALUE FROM 'TABLE G: '2028/ 2029' FOR COUNCIL BAND FROM S7B]**

2029/ 2030	**[INSERT VALUE FROM 'TABLE G: '2029/ 2030' FOR COUNCIL BAND FROM S7B]**
2030/ 2031	**[INSERT VALUE FROM 'TABLE G: '2030/ 2031' FOR COUNCIL BAND FROM S7B]**
2031/ 2032	**[INSERT VALUE FROM 'TABLE G: '2031/ 2032' FOR COUNCIL BAND FROM S7B]**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM 'TABLE G: 'END OF THE 6 YEAR PERIOD' FOR COUNCIL BAND FROM S7B]**

ASK ALL:

R2. Thinking about how [**DOMESTIC:** your income / **BUSINESS:** your business' financial situation] may change in the future, how affordable would this bill level be?

SINGLECODE

Very affordable	1	
Fairly affordable	2	
Not very affordable	3	
Not affordable at all	4	
Don't know	98	

As a reminder, the below table summarises the change in your bill. **[INSERT TABLE FROM PREVIOUS SCREEN]**

R3. Given everything you have seen, overall, how reasonable is this price rise to you?

SINGLECODE

Yes, very reasonable	1	
Yes, somewhat reasonable	2	
Neither reasonable nor unreasonable	3	
No, somewhat unreasonable	4	
No, very unreasonable	5	

As a reminder, the below table summarises the change in your bill. **[INSERT TABLE FROM PREVIOUS SCREEN]**

Investment areas (ranking, performance, sentiment)

SHOW ALL

There is a range of areas that Scottish Water will invest in during 2027-2033. There are some areas where regulatory requirements must be met, but also some areas of choice where they could invest more money or less money.

ASK ALL, RANDOMISE CODES

B1. Below you will see information on 7 different areas Scottish Water will be investing in between 2027 and 2033. Please select which you feel is most and least important **[IF QHIDBUSINESS]** for your business.

Please rank each where 1 is most important and 7 is least important.

Click on each option in the order you rank them.

DRAG AND DROP 1 MOST IMPORTANT TO 7 LEAST IMPORTANT
ALLOW FOR INFORMATION FLYOVER BOX ON EACH OF THE BELOW

Drinking Water Quality: Maintain high quality drinking water from customer's taps	1	
Reliable Supply of Water: Maintain a continuous supply of drinking water	2	
Reducing Leakage: Making sure drinking water is not lost from leaky pipes on its way to customers	3	
Reducing Environmental pollution and spills: Preventing waste water (sewage) that has not been safely treated from entering the environment	4	
Internal Sewer flooding: Making sure that waste water (sewage) does not come back up through sinks and toilets causing flooding inside customer's properties	5	
External Sewer Flooding: Making sure waste water (sewage) does not escape the sewer network outside of properties causing flooding in gardens or roads	6	
Carbon Footprint: The carbon emissions that come from Scottish Water's operations and construction works	7	

ASK ALL, RANDOMISE CODES

B2. How well do you think Scottish Water is currently performing in each of these areas? Please use the 10-point scale where 1 is 'very badly' and 10 is 'very well'.

SINGLECODE PER INVESTMENT AREA
SHOW ONE INVESTMENT AREA PER SCREEN WITH 10 POINT SCALE BELOW IT.
RANDOMISE ORDER INVESTMENT AREAS ARE SHOWN IN, SHOW AS CAROUSEL

Very badly									Very well	Don't know
1	2	3	4	5	6	7	8	9	10	98

ASK ALL
ROTATE INVESTMENT AREAS BUT SHOW QUESTIONS B3 – B4 AS A GROUP PER INVESTMENT AREA.

On the next few screens, you will see examples of some of the areas in which Scottish Water could invest.

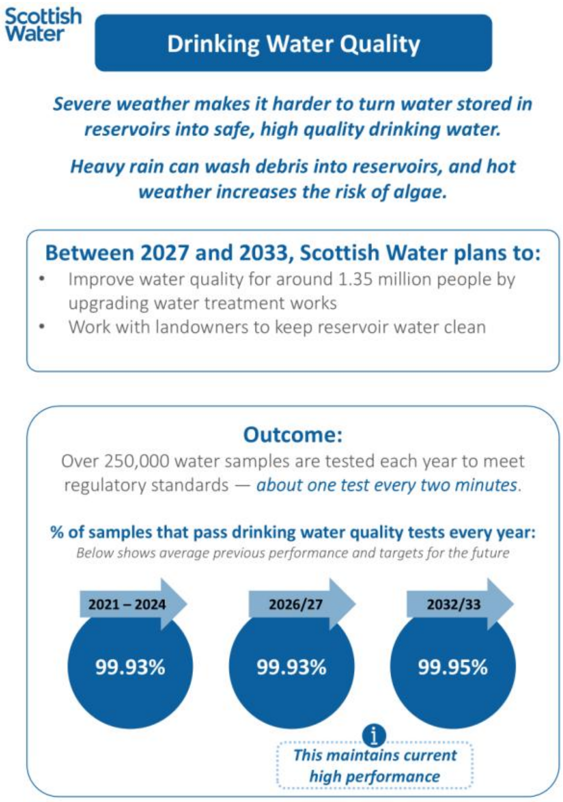
For each investment area you will be provided with:

- An explanation of what it is
- What Scottish Water are planning to do between 2027 and 2033
- What investment in this area might mean for the service they provide.

This will be an example, as Scottish Water will be focussed on a range of service outcomes in each area.

Please remember past and future results can be affected by things out of Scottish Water's control, like population changes, changes to regulation, extreme weather or heavy rainfall.

EXAMPLE STIMULUS



B3. Thinking specifically about this investment area, overall, how do you feel about what Scottish Water is proposing for the period 2027-2032?

SINGLECODE

Very positive	1	
Fairly positive	2	
Neutral	3	
Fairly negative	4	
Very negative	5	

SHOW STIMULUS FOR INVESTMENT AREAS ONE PER SCREEN
EXAMPLE STIMULUS BELOW – SLIDE 7-11
RANDOMISE INVESTMENT AREAS

ASK ALL IF CODE 1 VERY POSITIVE OR CODE 5 VERY NEGATIVE

B4. Why do you say feel this is **[INSERT RESPONSE FROM B3]?**

Don't know	98	
Prefer not to say	99	

PLAN ON A PAGE

An overview of Scottish Water's draft business plan for 2027-2033 is on the screen below.

SHOW SLIDE 4

Scottish Water
Trusted to serve Scotland

Draft Business Plan for 2027-2033

Great value
- Partner with other organisations, drive efficiencies and reduce demand for water.
- Fair and affordable charges for customers.

Carbon footprint
- Reduce costs through energy efficiency and how land is managed to protect the water environment and support communities – helping Scottish Water to achieve net zero carbon emissions by 2040.

Maintain essential infrastructure
- Just over half of Scottish Water's investment will go to making sure infrastructure lasts as long as possible and is well looked after for future generations.

Drinking water
- Focus on delivering high standards of drinking water.
- Improve water treatment and storage.

Reliable water supply
- Target areas with repeated water supply issues.
- Improve drought resilience in key areas.
- Reduce drinking water lost from leaking pipes.

Sewer flooding
- Prioritise the highest impact external sewer flooding areas.
- Ensure no increase in sewer flooding inside homes.
- Partner with councils on nature-friendly approaches to reduce rainwater entering sewers.

Environmental pollution and spills
- Prioritise sewer overflows with most potential to affect the environment.

Encourage growth & support employment
- Provide water and waste services to 120,000 new homes.
- Recruit and train over 2,000 apprentices and graduates between Scottish Water and their supply chain

ASK ALL:

P1. Thinking about Scottish Water's plans and the challenges they face, how do you feel about what they are proposing for 2027–2032 (the plan you have just seen)?

SINGLECODE

Very positive	1	
Fairly positive	2	
Neutral	3	
Fairly negative	4	
Very negative	5	

ASK ALL:

P2. How would you rate Scottish Water's business plan for 2027–2033 in terms of delivering value for money — that is, the balance between the costs and the improvements provided?

As a reminder, the following table summarises the change in your bill.

You are currently paying	**[QHIDBILLVALUE FROM R2]**
Start of the 6 year business plan 2026/2027	**[INSERT VALUE FROM R2 'START OF 6 YEAR PERIOD'**
End of the 6 year business plan 2032/ 2033	**[INSERT VALUE FROM R2 'END OF THE 6 YEAR PERIOD'**

SINGLECODE

Very good value for money	1	
Fairly good value for money	2	
Neither good nor poor value for money	3	
Fairly poor value for money	4	
Very poor value for money	5	

ASK ALL:

P3. Given everything you have seen, overall, how reasonable is this price rise to you?

SINGLECODE

Yes, very reasonable	1	
Yes, somewhat reasonable	2	
Neither reasonable nor unreasonable	3	
No, somewhat unreasonable	4	
No, very unreasonable	5	

ASK ALL:

P4. Below is the information about Scottish Water's business plan you have just seen. Please take a look at it again and use the highlighter tool to show us which parts you like, which parts you dislike and which parts (if any) are unclear and you would need more information on.

Map each region using the specified colour. For example, for aspects you like you will first select green and then select any parts you like.
SHOW PICTURE WITH ABILITY TO HIGHLIGHT PARTS THEY LIKE, DISLIKE OR FIND UNCLEAR

ASK ALL:
P5. What are your views on Scottish Water's plans for the future?

OPEN END RESPONSE. SUGGESTION FOR AI PROMPTER QUESTION

ASK ALL WHOSE RESPONSE AT R5 ENABLES AI PROMPTER TOOL TO PROBE FURTHER:
P6. QUESTION TEXT DETERMINED BY AI PROMPTER BASED ON RESPONSE AT P5
OPEN END RESPONSE

Communication from Scottish Water

COMMUNICATIONS
ASK ALL
C1. Do you think it would be helpful for household and business customers to receive more information about Scottish Water's business plan?

Yes	1	
Maybe	2	
No	3	

IF CODE 1 OR 2 AT C1
C2 Thinking about what you've read today, what information do you feel customers should receive about Scottish Water's plans?

Don't know99

Affordability

SHOW QHIDSAMPLE DOMESTIC:
Now, a few questions on income, benefits, affordability, and the cost-of-living.

Just a reminder, your answers will be kept private and only shared in summary, grouped with responses from other people. If there are any questions you would prefer not to answer, please skip to the next question by selecting 'prefer not to say'.
SHOW QHIDSAMPLE BUSINESS:
Now, a few questions on affordability and the cost-of-living.

Just a reminder, your answers will be kept private and only shared in summary, grouped with responses from other people.
If there are any questions you would prefer not to answer, please skip to the next question by selecting 'prefer not to say'.

ASK QHIDSAMPLE DOMESTIC:
A1. What is your estimated annual household income before tax?

Remember that your response will only be analysed with others in summary form, however if you would prefer not to say, then please just select that option.
SINGLECODE

Under £12,000	1	
£12,001-£18,000	2	
£18,001-£30,000	3	
£30,001-£40,000	4	
£40,001-£50,000	5	
£50,001-£70,000	6	
£70,001-£100,000	7	
£100,001-£150,000	8	
£150,001 or more	9	
Don't know	98	
Prefer not to say	99	

ASK ALL
A2. Which one of the following statements best describes your **[BUSINESS:** business's] situation with paying your **[DOMESTIC** household / **BUSINESS** business**]** bills for example [**DOMESTIC:** council tax bill/ **BUSINESS**: business rates], energy bills, water bills?
SINGLE CODE

Pay bills without any difficulties	1	
Pay bills, but it is a struggle from time to time	2	
Pay bills, but it is a constant struggle	3	
Sometimes fall behind with bills	4	
Having real financial problems and often fall behind with bills	5	

Don't know	6	
Prefer not to say	7	

QHIDFINVULN=A2 (CODES 2,3,4,5)

IF A2=2-5, ASK:
A3. You said that paying your bills can be a struggle. How long have you had difficulties paying your bills?

SINGLE CODE

Last month only	1	
The last 3 months	2	
The last 3 – 6 months	3	
The last 6 – 12 months	4	
The last 1 – 2 years	5	
2 or more years	6	
Prefer not to say	7	

ASK DOMESTIC CUSTOMERS ONLY IF A2=2-5:
A4. Have there been any changes in circumstances that have made paying bills more difficult? Please select all that apply to your household.
MULTICODE EXCEPT FOR CODE 8, 98 AND 99, RANDOMISE

Rising cost of living (e.g. food, energy, fuel)	1	
Unexpected expenses (e.g. medical bills, repairs, family emergency)	2	
Job loss or reduced working (e.g. redundancy, poor health, left job, maternity leave, working less hours)	3	
Debt or loan repayments (e.g. credit card, mortgage)	4	
Increased family or care responsibilities (e.g. childcare, care for family member)	5	
Housing costs (e.g. increased rent or mortgage payments)	6	
Benefit delays or changes	7	
Other (Please Specify) **TEXT BOX**	8	
Prefer not to say **EXCLUSIVE**	98	
None of the above **EXCLUSIVE**	99	

ASK QHIDSAMPLE DOMESTIC ONLY IF A2=2-5:
A5. Have you had to make any lifestyle changes due to bills being more difficult to pay? Please select all that apply to your household.
MULTICODE EXCEPT FOR CODE 6, 98 AND 99, RANDOMISE

Cut back on essentials (e.g. food, gas, electricity)	1	

Cut back on non-essentials (e.g. holidays, takeaways, streaming subscriptions, gym membership)	2	
Taken on more work (e.g. extra work hours)	3	
Sought help or support (e.g. food bank, benefits, grants, borrowing from friends/family)	4	
Housing changes (e.g. moved somewhere cheaper, moved in with relatives, taken on a lodger)	5	
Other (Please specify) **TEXT BOX**	6	
Prefer not to say **EXCLUSIVE**	98	
None of the above **EXCLUSIVE**	99	

ASK ALL

A6. Are you confident that you will be able to pay for your **[BUSINESS:** business's**]** bills in the next twelve months?

SINGLE CODE

Yes	1	
No	2	
Prefer not to say	3	

Demographics and views

SHOW ALL

Finally, we have a few quick questions about **[DOMESTIC]** you [**BUSINESS]** your business
Just a reminder, your answers will be kept private and only shared in summary, grouped with responses from other people.

ASK ALL QHIDSAMPLE DOMESTIC

D1 Would you say you lived …

SINGLECODE

In a city or large town	1	
In a small or medium sized town	2	
In a village or rural area	3	
On an island	4	
Don't know	5	

ASK ALL QHIDSAMPLE DOMESTIC

D2. Which of the following best describes your ethnic group?

SINGLE CODE

African, Caribbean, Black African, Black Caribbean, Black Scottish, Black British or Other Black	2	
Asian, Asian Scottish or Asian British	3	
White Scottish, White British or Other White	4	

Other ethnic group	5	
Mixed or multiple ethnic groups	6	
Prefer not to say	99	

ASK ALL QHIDSAMPLE DOMESTIC

D3. Thinking about all the people in your household, including yourself, how many people live here?

SINGLECODE

1 person	1	
2 people	2	
3 – 4 people	3	
5 – 6 people	4	
More than 6 people	5	
Prefer not to say	6	

IF D3=1, AUTOCODE AT D4 AS CODE 98 (NONE)

IF D3=2-6, ASK:

D4. How many children are there in your household under the age of 18 years old?

NUMERIC WRITE IN (MIN1, MAX 20 ~~8~~), WITH TWO SINGLE CODE OPTIONS BELOW

None	98
Prefer not to say	99

ASK ALL QHIDSAMPLE DOMESTIC

FOR SINGLE PERSON HOUSEHOLDS (CODE 1 AT D3) SHOW:

D5. Do you consider yourself to have any of the following?

FOR MULTI PERSON HOUSEHOLDS (CODE 2-6 AT D3) SHOW:

D5. Do you consider yourself or anyone in your household to have any of the following?

SINGLE CODE PER COLUMN, ONLY SHOW D5a IF CODE 1 AT D3 (SINGLE PERSON HH)

	D5a **Yourself**	**D5b** **Someone else in your household**
No long-term physical or mental health condition or disability	1	1
Long-term physical or mental health condition or disability which is limiting	2	2
Long-term physical or mental health condition or disability which is not limiting.	3	3
Prefer not to say	4	4

IF D5a = 2 OR 3

D6. Does your condition or illness reduce your ability to carry-out day-to-day activities?

SINGLE CODE

Yes, a lot	1	
Yes, a little	2	
Not at all	3	

ASK ALL

D7. How concerned, if at all, are you about climate change?

SINGLE CODE

Climate change is an immediate and urgent problem	1	
Climate change is more of a problem for the future	2	
Climate change is not really a problem	3	
None of these / don't know	4	
I'm not convinced that climate change is happening	5	

QD9A

ASK ALL , SINGLECODE RESPONSE FOR POSITIVE AND SINGLECODE RESPONSE FOR NEGATIVE

In the last 6 months, have you heard anything <u>positive or negative</u> about **Scottish Water** e.g. on the TV, radio, online news or social media ?

Positive

- I have definitely heard something positive
- I have maybe heard something positive
- I have not heard something positive
- I don't know if I have heard something positive

Negative

- I have definitely heard something negative
- I have maybe heard something negative
- I have not heard something negative
- I don't know if I have heard something negative

QD9B

ASK ALL, SINGLECODE RESPONSE FOR POSITIVE AND SINGLECODE RESPONSE FOR NEGATIVE

In the last 6 months, have you heard anything <u>positive or negative</u> about the wider **UK Water Sector** e.g. on the TV, radio, online news or social media ?

Positive

- I have definitely heard something positive
- I have maybe heard something positive
- I have not heard something positive
- I don't know if I have heard something positive

Negative

- I have definitely heard something negative

- I have maybe heard something negative
- I have not heard something negative
- I don't know if I have heard something negative

ASK ALL QHIDSAMPLE BUSINESS

D10 How integral is water to the core function of your business?

SINGLE CODE

My organisation could fully operate without water	1	
My organisation could partially operate without water	2	
My organisation could not operate without water	3	

ASK ALL QHIDSAMPLE BUSINESS

D11. Thinking about water consumption, which of the following best describes your business?

SINGLECODE

Low water consumption – for example similar to a household or office with fewer than 50 employees	1	
Medium water consumption – for example, an office of more than 50 employees, a car wash, a large business where water is not a key component, a small farmer	2	
High water consumption – for example, large manufacturing business, a large chemical company, large (arable) farmer	3	
Don't know	4	

ASK ALL QHIDSAMPLE BUSINESS

D12. And what business sector best defines the core activity of your organisation?

SINGLECODE, SHOW IN ALPHABETICAL ORDER AS PER BELOW

Accommodation & food	1	
Admin and support	2	
Agriculture, forestry & fishing	3	
Arts, entertainment, recreation & other services	4	
Construction	5	
Education	6	
Financial services	7	
Health & social care	8	
IT & communication	9	
Manufacturing	10	
Mining and quarrying	11	
Professional & technical	12	
Public administration & defence	13	
Real estate activities	14	
Retail & Wholesale	15	

Transport	16	
Utilities	17	
Other services	18	

ASK ALL QHIDSAMPLE BUSINESS

D13. How many employees does your business or work place have?

If your company operates across multiple sites, please include the total number of people across all sites. If you are not sure, please give you best estimate.

SINGLECODE

Micro-business (1-9 employees)	1	
Small Business (10-49 employees)	2	
Medium business (50-249 employees)	3	
Large business (250+ employees)	4	

ASK ALL SINGLECODE PER ROW

D14. And finally, thinking of the whole survey you have just done, how would you rate the following:

	1 Very Poor	2	3	4	5 Very Good
Length of survey					
Ease of completion					
Ability to express my true opinion					
Overall experience					

ALL: Thank and close

Scottish Water
Trusted to serve Scotland

BUSINESS PLAN 2027-2033 TECHNICAL APPENDICES

Customer Research Synthesis

Supporting Document

February 2026

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1 Introduction

Customers are at the heart of our business, and their opinions are a key factor in our decision-making process. Building these views into our plans is part of our on-going customer engagement approach that allows us to ensure our customers' needs are at the centre of our service delivery. Looking to the future, we recognise that customers are pivotal to helping us solve some of the most complex challenges we face and so must be involved in our strategies and plans from the outset.

Scottish Water has a strong track record of understanding customers views through customer research. In 2024/25 we engaged with c.40,000 customers as part of our continual and ongoing research programme. Scottish Water's SR27 research programme has to date engaged 1,166 household customers and 226 businesses on business planning issues and builds on our Long-Term Strategy research programme which involved more than 5,000 customers. This is underpinned by Scottish Water's Research Synthesis framework and database, which contains around 2,000 insights drawn from more than 60 research projects involving more than 24,000 customers over the past 10 years.

Scottish Water's Research Synthesis framework and process was developed in 2023 to help us manage and consistently analyse this wealth of customer insight. Our research is now organised and stored in a way that enables us to generate insights transparently and consistently, and to facilitate the sharing of these insights with internal users and external stakeholders. The framework enables us to combine different evidence sources and appropriately identify key insights by weighing up different sources to understand how they contribute to the synthesis process.

This document details the Key Insights that have been used throughout the SR27 Final Business Plan and Technical Appendices, showing the supporting information and evidence base for their formation.

2 Background

2.1 Research Synthesis Framework and Process

Scottish Water's Research Synthesis framework and process enable Scottish Water to:

- Identify consistent and high-quality insights to understand multiple perspectives on a topic.
- Avoid confirmation bias i.e. selecting evidence that confirms what you believe to be true.
- Be transparent about the process of incorporating customer views in decision making.
- Be consistent in the conclusions that are drawn from customer research by providing a robust evidence base of customer views.

Scottish Water's Research Synthesis framework and process (Figure 1) enables us to manage insights from customer research in a structured way, identify which insights are relevant to the topic under review, and then to assess each insight individually on the basis of relevance and robustness. The highest quality and most relevant insights are then synthesised into Key Insights using principles closely aligned with thematic analysis, which identifies themes that are recurrent between different sources of qualitative information. These Key Insights can then be embedded into processes.

The Research Synthesis process also enables us to look across topics and assess which topics are well-explored, and why other areas might be less strong. The full weighting and scoring methodologies for both Key Insights and Research Strength Assessment is set out in Annex A.

Scottish Water is committed to continuing to use and develop the Research Synthesis framework and process. Insights from synthesis have been key to the development of the SR27 Final Business Plan, and we are also finding further applications for the Research Synthesis on an ongoing basis. We intend to maintain and update the research synthesis on a continual basis to support the use of customer insights throughout our processes and decision making.

Figure 1 Synthesis Framework

2.2 Research Synthesis Database

To date, more than 60 sources of customer research have been reviewed as part of the synthesis process, resulting in around 2000 insights. Studies cover a 10-year period between 2016-2025, involving more than 24,000 customers. The synthesis process is focussed on reviewing mostly qualitative research; engaging customers through methods such as workshops and focus groups, but some quantitative research (such as surveys) is also included. We have included 4 studies by Consumer Scotland, and plan to extend the Synthesis to other external sources as we continue to develop our approach over the course of SR27. A full list of research sources can be found in Annex B.

2.3 Assurance Review

Scottish Water has been trialling and testing the Synthesis process and framework for around 2 years, developing our in-house analytic capability, and searching for ways to use and apply synthesised insights. We invited SIA Partners back in mid-2025, to review our processes and check that we have been appropriately applying the framework. Their assurance covered 2 core elements:

- Review of whether and how the business has implemented synthesis of customer engagement evidence, against CCWater’s framework and wider best practice.
- An assessment to establish whether insights have been appropriately recorded and weighted, and whether any insight tensions / divergence between insight sources or segments have been appropriately identified.

They found that Scottish Water:

- has demonstrated a strong overall approach to evaluation and synthesis which is in line with CCW criteria;
- is particularly strong in areas around being consistent, weighting and balanced decisions;
- has demonstrated a thorough and thoughtful approach to synthesis of insights, effectively evaluating sources and using specific insights to address business needs; and
- shows strong evidence of structured evaluation and a commitment to continuous improvement.

3 Evaluation of Research Strength

The Research Synthesis process supports an assessment across topics to assess which are well-explored, and why other areas might be less strong. This assessment involves:

- **Topic Assessment Score:** understand how frequently the topic has been explored in the sources analysed and how well the source contributes to the understanding of a topic.
- **Suitability of Evidence Score**: how suitable the evidence within a source is for the purpose of synthesis.
- **Overall Score:** weights these 50:50 to arrive at an average score.

Scoring for every part of the assessment ranges between a minimum of 0 and a maximum of 3. Detailed scoring for each assessment is illustrated in Annex A, with a summary of maximum and minimum scores shown in Table 1 below.

Table 1 Research Strength: Maximum and Minimum Scores

Research Strength Scores	Assessment	Minimum Score (0)	Maximum Score (3)
Topic & Coverage Assessment Score **An average of:**	Volume of Insight Score	No insights on topic	Relatively high volumes of insights on topic
	Source Score	No sources on topic	Relatively high number of sources on topic
	Customer Score	No customers engaged on topic	Relatively high number of customers engaged on topic
	Coverage Score (Average across relevant sources)	No sources on topic	Source designed to target and explore topics
Suitability of Evidence Score **An average of:**	Sample Size (Average across relevant sources)	Unknown/Not provided	Survey with 100+ people, workshop / focus / group / interview with 25+ people
	Segmentation Coverage (Average across relevant sources)	Coverage of customer segments	Insights organised across detailed segments - e.g. vulnerable, future customers, HH, NHH, Developers
	Regional Coverage (Average across relevant sources)	Outside Scotland	Breakdown of specific Scottish regions
	Method of Engagement (Average across relevant sources)	No methodology outlined or unstructured data - e.g. customer verbatim	External research, externally facilitated focus groups, workshops, online communities, surveys, etc.
	Data Collection (Average across relevant sources)	Not specified how data was collected	Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback

	Interpretation of Results (Average across relevant sources)	No interpretation of findings	Engagement work interpreted accurately and fairly with a detailed outline of all perspectives and issues discussed.

Scottish Water's evaluation of research strength is shown overleaf in *Table 2*. All research questions achieved an Overall Score of at least 2 (on a scale of 0 to 3). These high Overall Scores are driven by high 'Suitability of Evidence' scores (minimum of 2.6). This is because:

- All research in the synthesis is conducted by external research agencies.
- Most research sources include a suitable sample size, with many representing different customer segments including future and vulnerable customers.
- Many sources cover all of Scotland, with some including a regional breakdown supporting geographic analysis of results.
- Most research demonstrates a fair and accurate interpretation of results by including methods of analysis used or raw data that supports findings.

There is more variation on 'Topic Criteria', with a range of scores from 1.3 to 3 (on a scale of 0 to 3). Higher scores are associated with higher volumes of customers engaged and insights gathered.

- The topic with the highest 'Topic Criteria' score is External Sewer flooding (3.0). Recent water sector research activity around blue-green infrastructure and the management of rainwater has generated a relatively large number of high-quality insights on the subject.
- Drinking Water Quality is also associated with a high 'Topic Criteria' Score (2.7). This reflects the frequent exploration of the topic in Scottish Water's research activities. It is also a top-of-mind subject for customers, resulting in frequent spontaneous mentions across all of Scottish Water's research activities.
- The topic with the lowest 'Topic Criteria' score is Bioresources (1.3). This topic has not been the subject of targeted research but can arise when related or broader themes are explored (e.g. circular economy research).

Table 2 Evaluation of Research Strength[1]

		# Insights	Insight Score (1-3)	# Sources	Source Score (1-3)	# Customers	Customer Score (1-3)	Coverage Score	Topic Criteria Score	Sample Size	Segmentation Coverage	Regional Coverage	Method of Engagement	Data Collection	Interpretation of Results	Suitability of Evidence Score	Overall Score
Long-Term Challenges	What are customers' attitudes towards Scottish Water's three long-term challenges?	50	2	15	2	3871	2	2.8	**2.2**	2.9	2.7	2.5	3.0	2.9	2.9	**2.8**	**2.5**
	What is customer understanding of climate change as a challenge?	28	1	10	2	8329	3	2.8	**2.2**	3.0	2.6	2.4	3.0	2.8	3.0	**2.8**	**2.5**
	What is customer understanding & acceptance of aging assets as a challenge?	14	1	9	2	1260	1	2.9	**1.7**	3.0	2.8	2.4	3.0	2.9	3.0	**2.9**	**2.3**
AR3	What are customer expectations of Scottish Water in maintaining assets?	35	2	13	2	2788	1	2.6	**1.9**	2.6	2.7	2.5	3.0	2.8	3.0	**2.8**	**2.3**
Drinking Water Quality	What are customer perceptions of drinking water quality in Scotland?	79	3	20	3	3673	2	2.5	**2.6**	2.9	2.6	2.5	3.0	2.7	3.0	**2.8**	**2.7**
	What is the perceived impact of drinking water quality issues on customers?	53	2	14	2	3641	2	2.8	**2.2**	2.8	2.8	2.7	3.0	2.8	3.0	**2.8**	**2.5**
	What are customer expectations of Scottish Water regarding drinking water quality?	54	2	19	3	7936	3	2.7	**2.7**	2.8	2.7	2.6	3.0	2.6	2.9	**2.8**	**2.7**
	What are customer expectations for dealing with lead in the network?	79	3	5	1	2368	1	2.8	**2.0**	3.0	2.4	2.2	3.0	2.6	2.8	**2.7**	**2.3**

[1] It should be noted that the number of insights, sources and customers involved cannot be totalled, as where research covers more than one topic, there will be double counts.

		# Insights	Insight Score (1-3)	# Sources	Source Score (1-3)	# Customers	Customer Score (1-3)	Coverage Score	Topic Criteria Score	Sample Size	Segmentation Coverage	Regional Coverage	Method of Engagement	Data Collection	Interpretation of Results	Suitability of Evidence Score	Overall Score
Water Continuity	What is the perceived impact of an interruption to supply?	53	2	10	2	5559	2	2.9	**2.2**	2.8	2.8	2.8	3.0	2.9	3.0	**2.9**	**2.6**
	What are customer expectations of Scottish Water regarding water continuity?	54	2	17	3	5161	2	2.6	**2.4**	2.7	2.6	2.6	3.0	2.6	2.9	**2.7**	**2.6**
	What are customer perceptions of low pressure?	42	2	5	1	1513	1	3.0	**1.8**	2.6	2.8	2.6	3.0	2.4	2.8	**2.7**	**2.2**
	What are customer expectations of Scottish Water dealing with low pressure?	31	2	7	1	1274	1	2.6	**1.6**	2.6	2.7	2.6	3.0	2.4	3.0	**2.7**	**2.2**
	What are customer expectations of Scottish Water regarding leakage?	31	2	13	2	4088	2	2.5	**2.1**	2.8	2.7	2.7	3.0	2.6	2.9	**2.8**	**2.5**
Water Environment	What is customer understanding of Scottish Water providing waste water services?	13	1	11	2	3752	2	2.7	**1.9**	3.0	2.8	2.5	3.0	2.9	2.9	**2.9**	**2.4**
	What are customer perceptions of the water environment in Scotland?	53	2	14	2	4565	2	2.6	**2.2**	2.9	2.6	2.6	3.0	2.6	2.9	**2.8**	**2.5**
	What are customer expectations of Scottish Water in protecting the river and coastal water environment?	20	1	9	2	1303	1	2.6	**1.6**	2.7	2.7	2.4	3.0	2.6	3.0	**2.7**	**2.2**
	What are customer perceptions of pollution in the water environment?	48	2	11	2	3899	2	2.5	**2.1**	2.9	2.7	2.7	3.0	2.6	2.9	**2.8**	**2.5**
	What are customer expectations of Scottish Water in protecting the water environment from pollution?	29	2	9	2	2561	1	2.9	**2.0**	2.8	2.8	2.6	3.0	2.8	3.0	**2.8**	**2.4**
	What are customer perceptions on Scottish Water providing waste for bioresources?	14	1	7	1	2386	1	2.1	**1.3**	2.6	2.4	2.4	2.9	2.6	3.0	**2.6**	**2.0**

		# Insights	Insight Score (1-3)	# Sources	Source Score (1-3)	# Customers	Customer Score (1-3)	Coverage Score	Topic Criteria Score	Sample Size	Segmentation Coverage	Regional Coverage	Method of Engagement	Data Collection	Interpretation of Results	Suitability of Evidence Score	Overall Score
Waste Water Flows	What is the perceived impact of an internal sewer flooding incident?	28	1	15	2	4383	2	2.7	**1.9**	2.7	2.7	2.7	3.0	2.9	3.0	**2.8**	**2.4**
	What are customer expectations of Scottish Water regarding internal sewer flooding?	38	2	18	3	7639	3	2.6	**2.7**	2.8	2.7	2.7	3.0	2.7	2.9	**2.8**	**2.7**
	What are customer perceptions of external sewer flooding?	59	3	17	3	6844	3	2.8	**3.0**	2.7	2.7	2.6	3.0	2.8	2.9	**2.8**	**2.9**
	What are customer expectations of Scottish Water regarding external sewer flooding?	38	2	20	3	8838	3	2.7	**2.7**	2.8	2.7	2.7	3.0	2.7	3.0	**2.8**	**2.7**
	What are customer perceptions of surface water management measures?	51	2	9	2	2624	1	2.9	**1.7**	2.9	2.6	2.4	3.0	2.9	3.0	**2.8**	**2.3**
Climate Mitigation	What are customer views on climate change?	30	2	7	1	7120	3	2.6	**2.1**	3.0	2.7	2.4	3.0	2.7	3.0	**2.8**	**2.5**
	What are customer expectations of Scottish Water's carbon footprint?	45	2	11	2	5820	3	2.7	**2.4**	2.9	2.8	2.5	3.0	2.7	2.8	**2.8**	**2.6**
	What are customer expectations of Scottish Water protecting and improving Scotland's natural environment?	29	2	8	1	3486	2	2.6	**2.2**	3.0	2.8	2.5	3.0	2.6	2.8	**2.8**	**2.5**
Climate Adaptation	What are customer expectations around climate adaptation of assets?	19	1	4	1	2310	1	2.8	**1.4**	3.0	2.5	2.8	3.0	3.0	3.0	**2.9**	**2.2**
	How do customers view their role in supporting Scottish Water's adaptation to climate change?	21	1	9	2	4772	2	2.0	**1.8**	3.0	2.8	2.7	3.0	3.0	2.9	**2.9**	**2.3**

4 Key Insight Development

Our Research Synthesis process helps Scottish Water to identify which customer insights are the most robust and reliable. Only the highest scoring insights are used to develop Key Insights by thematic analysis. Each individual insight is assessed for:

- **Suitability of Evidence:** how suitable each insight is for the purpose of synthesis.
- **Coverage**: relevance of source to topic.
- **Overall Score:** weights these 50:50 to arrive at an average score.

Scoring for every part of the assessment ranges between a minimum of 0 and a maximum of 3. For most topic areas insights with a score of more than 2.8 are used to develop Key Insights. Detailed scoring for each assessment is illustrated in Annex A, with a summary of maximum and minimum scores shown in *Table 3* below.

Key insights are developed by reviewing the highest scoring insights and summarising recurrent themes, as well as diverging views and segmented views where these are available.

Table 3 Individual Insight Scoring: Maximum and Minimum Scores

Key Insight Scores	Assessment	Minimum Score (0)	Maximum Score (3)
Suitability of Evidence Score **An average of:**	Sample Size (of the source of the insight)	Unknown/Not provided	Survey with 100+ people, workshop / focus / group / interview with 25+ people
	Segmentation Coverage (of the source of the insight)	Coverage of customers segments	Insights organised across detailed segments - e.g. vulnerable, future customers, HH, NHH, Developers
	Regional Coverage (of the source of the insight)	Outside Scotland	Breakdown of specific Scottish regions
	Method of Engagement (of the source of the insight)	No methodology outlined or unstructured data - e.g. customer verbatim	External research, externally facilitated focus groups, workshops, online communities, surveys, etc.
	Data Collection (of the source of the insight)	Not specified how data was collected	Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback
	Interpretation of Results (of the source of the insight)	No interpretation of findings	Engagement work interpreted accurately and fairly with a detailed outline of all perspectives and issues discussed.
Coverage Score	Coverage Score	Topic not covered by source	Source designed to target and explore topic

5 Key Insights

Key insights as used in the SR27 Final Business Plan and Technical Appendices are set out in the following sections. These are accompanied by the highest scoring Insights which have been used to form the Key Insights. Each insight is shown with a Suitability of Evidence Score and a Coverage Score, which are evenly weighted to arrive at the Overall Score.

5.1 Long-Term Challenges

5.1.1 What are Customers' Attitudes Towards Scottish Water's Three Long-Term Challenges?

Key Insight:

Many customers will not have considered the impact of climate change; population change and aging assets on Scottish Water's provision of water and waste water services. However, they are pleased to learn that Scottish Water is thinking in the long-term and is being proactive. Responses to Scottish Water's ability to deal with these challenges is slightly mixed. Whilst customers overall are positive, with some customers believing that Scottish Water's ownership model enables money to be invested into services (rather than taken as profit as customers' perceive to be the case elsewhere in the UK), others feel that Scottish Water's ability to deal with the challenges might be dependent on how quickly the challenges materialise, and the ability to prioritise investment quickly enough.

- Scotland is perceived by customers to be a rainy and wet country, and so there can be scepticism or surprise about the need to adapt for periods of dry weather. They can also become concerned by predictions of future rainfall.
- Scotland's population is perceived by many customers to be stable or reducing, and so communications with customers on this topic should be accompanied by information around changes in household occupancy patterns and population shifts.
- Aging assets – There is a strong desire to ensure that investment in infrastructure will last so that high standards will be maintained in the medium and longer term – with older customers particularly dissatisfied with by repairs that 'do not last'.

Overall, when supported with the information that they need, customers can understand the future impact of the challenges on Scottish Waters activities and services. They appreciate that if Scottish Water does not address these challenges, there might be relatively little impact in the short-term, but greater impacts might be felt over the next 25 years, and that service might deteriorate if nothing is done. They expect Scottish Water to keep on top of drinking water availability, and to be proactive in general. In general, respondents trust Scottish Water to make the right decisions around investment. They believe the organisation has the best interest of customers at heart when it comes to investing in improvement.

References:

15 sources have been reviewed, resulting in 50 insights, with overall scores between 2.3 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 12 sources, engaging more than 2,500 customers (excluding YouGov Perceptions Survey).

Table 4 *What are customers' attitudes towards Scottish Water's three long-term challenges?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Delibera tive	105 HH	Domestic customers expressed surprise at the extent to which droughts impacted on Scotland. They were also struck by the impact that rainfall had on the system, particularly that too much rain could causing flooding and blockages while too little rain could lead to higher reliance on reservoirs.	3.0	3.0	3.0
				The impact that future housing developments and urban sprawl had on water and waste water provision was concerning for participants. They noted that the challenges with a changing and moving population would place different areas of Scotland under pressure in terms of water supply. It was felt that long term investment in Scottish Water's net zero ambitions could help to mitigate some of the supply and demand imbalances. The examples of Scottish Water's recent investment in infrastructure projects for the future offered reassurance for customers.	3.0	3.0	3.0
				Participants were impressed by Scottish Water's efforts to address its challenges and ensure that customers received high quality water and a reliable waste water service. There was acceptance that Scottish Water's challenges are multifaceted and include issues that the organisation cannot control, such as climate change and population change. Participants felt that the scale of these challenges and the level of investment required to address these challenges could be linked to both current and potential future price increases for customers.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	It is accepted that changes in climate and population are challenges that are, or will have an impact on the availability of drinking water in some areas, and customers recognise that highly populated areas could suffer in future due to increased demand for water. ■ There is less scepticism than in the previous stage about the likelihood of drought in Scotland, but customers still question the expected frequency of these issues in relation to the potential spend. ■ Joining up the existing network makes sense to customers if it is genuinely cheaper and as effective as building reservoirs. Though there were some questions as to how water will be stored in the areas it is moved to. ■ There is some concern around the potential disruption and impact on the environment of the work needed to join up areas of the network, and the reassurance that this will only happen when it is sustainable for the areas that the water is taken from is welcomed. ■ The graphic showing the potential picture in 2050 without adaptation was shocking for most customers in terms of the potential number of areas that could be short of water in the future, and this helped to move the issues around supply and demand of drinking water higher up in some customers' priorities. ■ Some of those living in areas where there has been heavy rainfall asked what kind of support there would be for those areas experiencing flooding due to changes in the weather. ■ As with the previous research customers in various groups discussed the importance of education around more careful use of water and suggested that Scottish Water needs to support homes and businesses with water saving tips and equipment.	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	Five key association themes emerged from both household and business customers: Environmental Attitudes and Behaviours: While there were no climate change deniers among participants, there was a general belief that Scotland's abundance of rainfall would protect the country from the risks of drought. Many were surprised to learn that some areas in Scotland could be more vulnerable to drought than others. This indicates a knowledge gap around regional water scarcity issues, despite the overall perception of Scotland as a water-rich country.	3.0	3.0	3.0

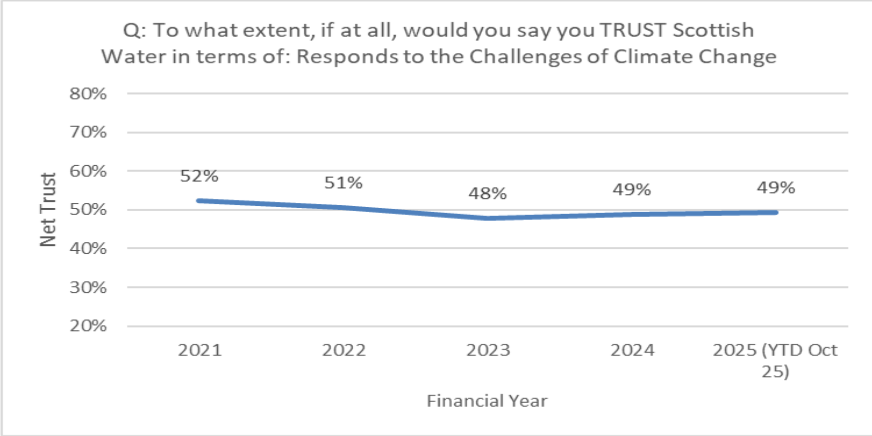
Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Across the two families, they believed the population, climate and asset related challenges that Scottish Water outlined in the webinar were real and felt that there was a need to plan now to ensure that the network was fit for future purpose. Within this context of recognising a need to invest, the older generation, who were bill payers, initially expressed concern about any increases in water charges. They emphasised the importance of maintaining reliability, water quality, managing burst and leakage and waste water services but wanted to ensure bills were affordable as household budgets were already stretched.	3.0	3.0	3.0
				The younger generation in both families showed less concern about water as an immediate issue. Water was something they took for granted, often perceived as a basic service that didn't warrant much attention in their daily lives. However, as the discussion evolved, there was a growing recognition of the need for investment to ensure future stability. They understood that while water might not be a priority now, it would become more critical as they started their own families or faced future challenges.	3.0	3.0	3.0
				In the long term, vulnerable customers believe Scottish Water need to tackle the impacts of climate change, flooding, high levels of water usage and wastewater pollution with customers suggesting education could aid the latter two issues. Keeping costs low was also highlighted as a long-term priority given the rising cost of living, along with maintaining the quality of drinking water	3.0	3.0	3.0
				As with other segments, businesses feel that part of the long-term focus should be on water conservation to ensure that water is used efficiently. As businesses are metered, there is a particular focus on this and the potential for associated cost savings if water is managed better.	3.0	3.0	3.0
				This [moving water to areas in need] was seen by some participants as less of a priority for Scotland due to the level of rainfall making droughts seem unlikely. Participants were less familiar with population shifts and climate differences that would require transporting water across Scotland.	3.0	3.0	3.0
Long Term Investment Planning Research [SW054]	Oct-24	Qual	c.50	Scotland is not known to be a dry country, so some respondents were sceptical about the need for adaptation to be able to supply water in periods of dry weather. Some customers felt that Scottish Water could think about other ways to store water beyond reservoirs e.g. storage closer to urban areas.	3.0	3.0	3.0
				In general, respondents trust Scottish Water to make the right decisions around investment. They believe the organisation has the best interest of customers at	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				heart when it comes to investing in improvement. Being publicly owned – in contrast to the privatised water firms in England – drives this perception.			
Charges Research 2024 [SW048]	Sep-24	Qual	60	Customers acknowledge the challenges Scottish Water face but are questioning of the delayed response to them. - Older assets: Many customers spontaneously noted older assets as a challenge and had clearly thought about this challenge before. However, many felt that Scottish Water could have taken a preventative approach as this is not a 'new' problem. - Climate change impacts: Although all customers were aware of climate change and knew it posed a future problem, customers were shocked by the figures of the predicted rainfall. No-one was aware of the extent of the potential problem, and this made some people concerned. - Population shifts: Most customers had not previously thought about population shifts and the impact this could have. However, once prompted customers understood why the population shifts could create a challenge for Scottish Water.	2.7	3.0	2.8
Climate Change, Water and Scotland's Future [Consumer Scotland] [CS037]	May-24	Delibera tive	41	Upon learning more about the issues, participants strongly believed that awareness should be raised of the value of water and the need to conserve it, as well as the current and future impacts of climate change on Scotland's water. Regarding how to raise awareness, participants felt that education in schools would be key, along with widespread and effective communications campaigns for raising awareness. There was also an appetite for information and communication throughout decision- and policy-making processes, to improve understanding and ensure transparency.	2.8	3.0	2.9
				At the beginning of the dialogue, participants had limited knowledge of how water services worked in Scotland but generally had positive associations. Participants were alarmed to learn about the potential water deficit that Scotland would face by 2050 and the risk to customers of a water shortfall.	2.8	3.0	2.9
Strategic Plan Research [SW021]	Aug-23	Qual	66	Many admitted to not having thought about it in the past but were pleased to see that Scottish Water was recognising these challenges [climate change, population growth, increasing regulatory standards, evolving customer expectations], and facing them head-on	2.8	3.0	2.9
				The challenge that caused the most conversation was population growth and the movements from West to East. Many had thought that the Scottish population	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				had remained stable, or even reduced slightly, in recent years, so further explanation was needed that it's not necessarily the number of people, but the number of households that had increased.			
				When asked whether or not they felt Scottish Water was well equipped to tackle these challenges, the responses were slightly mixed. The overall response was positive, with some customers suggesting that the way Scottish Water is set up, i.e., being publicly owned, works in its favour, with money re-invested into improving the service, rather than becoming company profits, which is the perception of what happens in England. Some customers felt the extent to which Scottish Water is well-equipped to deal with change will depend on how quickly these challenges become a reality. If, for example, climate change happens more quickly than predicted, then it would be difficult for Scottish Water to react	2.8	3.0	2.9
				Those less positive about well-equipped Scottish Water is, focused on things that Scottish Water had less control over, such as the dated network of pipes. If further investment was needed in these areas, that could mean the investment needed to react to the challenges is not prioritised as highly.	2.8	3.0	2.9
				The key challenge [for enhancing the natural environment] was identified as population growth. If Scottish Water does go ahead and do the work it wants to, then customers would need assurance that their water supply would not be impacted and that the quality would remain high. Increased regulatory standards were also mentioned, with customers thinking these standards might become even more difficult to meet if water is taken from alternative sources to what it is now.	2.8	3.0	2.9
				The key challenges identified for embracing the circular economy were largely focused on weather and climate change. If this meant less water was available, or more stress was put on the water system when it rained, then it could be more difficult to only rely on existing water resources. Increasing regulatory standards could also have an impact too, if it made it more difficult to reuse products and materials.	2.8	3.0	2.9
				The key challenges identified [to net zero by 2040] were climate change and the potential for increased rainfall. If both of these happen, it is likely to put additional strain on the water network, so running operations with less fossil fuels and more renewable energy sources could be a risk.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Population growth was seen as the key challenge for ensuring this objective [transforming wastewater services] is met, given the likelihood of further strain being put on waste water services. Warmer weather and further rainfall were also mentioned, along with the potential for further regulatory standards to help ensure a cleaner natural environment.	2.8	3.0	2.9
				When asked about how the challenges shown would impact Scottish Water's ability to deliver against this objective [delivering consistently excellent water supply], customers felt more unreliable weather could certainly have an impact. They also wondered whether an increasing population, resulting in increased water demand, could impact the amount of water in reservoirs, which in turn could lead to a less reliable supply in the future, so this is something Scottish Water needs to keep on top of.	2.8	3.0	2.9
				Customers feel like there is a role for them to play in helping Scottish Water to meet the challenges faced, and any education that can be given would be beneficial. There were suggestions of Scottish Water going into schools as much as possible, to catch young people as early as possible, to help spread the message, and to also use TV adverts and other methods to educate customers.	2.8	3.0	2.9
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Importance of water supply resilience – This is important, with two caveats: - Relevance: Scotland is a wet country and people don't associate droughts with Scotland. People think of lochs and reservoirs and assume it is not an issue for Scotland due to the perceived abundance of water. - A symptom, not the cause: This is perceived as related to climate change, they think we should address climate change to address resilience. [..]	2.8	3.0	2.9
Future Strategy [SW008]	Oct-19	Qual	121	When asked what kind of challenges Scottish Water will face in the future, participants found it relatively easy to identify a range of challenges. The challenges customers mentioned related to four main themes: environmental change, political uncertainty, increased demand and ageing infrastructure. Most groups referred to climate change, pollution and the impact worsening weather conditions will have on current infrastructure	2.8	3.0	2.9
				Many participants were worried about the increase in demand for water suppliers, with older participants (aged 50+) tending to think about house building and water usage in Scotland, and some younger participants (aged 16-28) thinking about this more in global terms.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				A few younger and more environmentally aware participants said they were not surprised by the challenges. Underlying this was a sense of anger at how much damage has been caused to the planet already and a view that urgent action was needed now to combat climate change.	2.8	3.0	2.9
				Customers expected that if Scottish Water did nothing to deal with these challenges, relatively little impact would be obvious in the next six years, with the main consequences of doing nothing being measures such as hosepipe bans. However, they expected that greater impacts would be felt over the next 25 years, and that the service would deteriorate as a result if nothing was done. For example, customers thought that the implications of doing nothing could include poorer quality water, flooding and water shortages	2.8	3.0	2.9
				Many referred back to the earlier discussion on investment in infrastructure and their preference for a proactive approach which will prevent unforeseen interruptions to supply. Some felt that making things last should be something that Scottish Water should put first and only then look at addressing other areas. Older participants in particular expressed their dissatisfaction with things being patched up, such as road repairs that do not last. There was a strong desire to ensure that investment in infrastructure will last so that high service and quality standard will be maintained in the medium and longer term	2.8	3.0	2.9
Understanding Legacy [SW007]	May-19	Qual & Quant	1068	Customers know that the climate lends itself to a beautiful landscape that is enjoyed by all. However: - Water is becoming less reliable and increasingly unstable - Population shifting to urban areas may put more pressure on the infrastructure	2.7	3.0	2.8
				There is little concern that water will run out or need managing in the future	2.7	3.0	2.8
				Hotter summers: Last year's hot summer was the first time some customers considered that they might need to start being more conservative	2.7	3.0	2.8
Wider Environment - SR21 Environmental Priorities [SW006]	May-19	Qual & Quant	1102	The general perception is that water is plentiful in Scotland. The prospect of water shortages, and needing to extract from rivers, therefore seemed remote; this might be a problem in England but not in Scotland. Furthermore, the beautiful landscape is cherished and most felt uneasy about the idea of damaging the environment. Participants' response was that customers should use less when water reserves are under strain, and that Scottish Water should plan for dry events, including by addressing leakage.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
YouGov Perceptions Survey [SW038]	2021 – 2025 YTD	Quant	c. 500 HH per month		2.8	3.0	2.9

5.1.2 *What is Customer Understanding of Climate Change as a Challenge?*

Key Insight:

Climate change is acknowledged as an important issue by customers, with future customers showing more concern. However, customers can be surprised by the scale of the issue and potential impact on Scottish Water's services.

After this information has been shared, customers generally acknowledge climate change as a challenge to Scottish Water's long-term outcomes.

References:

10 sources have been reviewed, resulting in 28 insights, with overall scores between 2.3 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 8 sources, engaging more than 7,000 customers.

Table 5 *What is customer understanding of climate change as a challenge?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Charges Research 2024 [SW048]	Sep-24	Qual	60	Customers acknowledge the challenges Scottish Water face but are questioning of the delayed response to them. […] - Climate change impacts: Although all customers were aware of climate change and knew it posed a future problem, customers were shocked by the figures of the predicted rainfall. No-one was aware of the extent of the potential problem, and this made some people concerned.	2.7	3.0	2.8
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	When participants learned about the impact of climate change on surface water drainage, they were struck by the scale of the issue. Again, there was a widespread view that everyone has some responsibility for reducing surface water flooding. Local authorities in particular were seen to have an important role, given their responsibility for maintaining local roads and drains, and ability to influence local planning permission and regulation.	2.8	3.0	2.9
				Most participants felt they knew little or nothing about the impacts of climate change on water or wastewater services prior to taking part in the research, although there was more awareness of issues with drainage and surface water flooding. When consumers learnt more about climate change impacts, they were alarmed by the scale of the challenges.	2.8	3.0	2.9
				Upon learning more about the issues, participants strongly believed that awareness should be raised of the value of water and the need to conserve it, as well as the current and future impacts of climate change on Scotland's water. Regarding how to raise awareness, participants felt that education in schools would be key, along with widespread and effective communications campaigns for raising awareness. There was also an appetite for information and communication throughout decision- and policy-making processes, to improve understanding and ensure transparency.	2.8	3.0	2.9
Consumers and the transition to net zero [Consumer Scotland] [CS036]	Sep-23	Quant	2269	Many consumers in Scotland are concerned about climate change, but many report they are already doing what they can to help tackle the problem or they do not know what they need to be doing to help Scotland achieve net zero or to adapt to those climate change impacts that are unavoidable.	2.8	3.0	2.9
				The barriers consumers report they face in relation to decarbonisation and net zero vary depending on the sector and/or the particular set of behaviours being asked about. But across markets it is clear a lack of reliable information	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				is making it difficult for consumers to fully understand the issues and as a result make informed choices.			
				There are high levels of consumer awareness of water-related effects of climate change: 80% believe drought is connected to climate change, 82% believe flooding is connected, 73% believe water scarcity is connected, and 50% believe poor water quality is connected.	2.8	3.0	2.9
Strategic Plan Research [SW021]	Aug-23	Qual	66	The key challenges identified [to net zero by 2040] were climate change and the potential for increased rainfall. If both of these happen, it is likely to put additional strain on the water network, so running operations with less fossil fuels and more renewable energy sources could be a risk.	2.8	3.0	2.9
				The key challenges identified for embracing the circular economy were largely focused on weather and climate change. If this meant less water was available, or more stress was put on the water system when it rained, then it could be more difficult to only rely on existing water resources. Increasing regulatory standards could also have an impact too, if it made it more difficult to reuse products and materials.	2.8	3.0	2.9
Community and Environment Impact [SW019]	Jun-23	Qual & Quant	2458	Household participants were concerned about the impact of climate change with 77% being at least somewhat worried. Level of worry over the impact of climate change: - 27% Very worried - 50% Somewhat worried - 14% Neither worried nor unworried - 4% Somewhat unworried - 4% Not at all worried	3.0	3.0	3.0
				76% of businesses are at least somewhat worried about the impact of climate change. - 31% Very worried - 45% Somewhat worried - 15% Neither worried nor unworried - 3% Somewhat unworried - 6% Not at all worried	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Future Strategy [SW008]	Oct-19	Qual	121	When asked what kind of challenges Scottish Water will face in the future, participants found it relatively easy to identify a range of challenges. The challenges customers mentioned related to four main themes: environmental change, political uncertainty, increased demand and ageing infrastructure. Most groups referred to climate change, pollution and the impact worsening weather conditions will have on current infrastructure.	2.8	3.0	2.9
				A few younger and more environmentally aware participants said they were not surprised by the challenges. Underlying this was a sense of anger at how much damage has been caused to the planet already and a view that urgent action was needed now to combat climate change.	2.8	3.0	2.9
				Customers expected that if Scottish Water did nothing to deal with these challenges, relatively little impact would be obvious in the next six years, with the main consequences of doing nothing being measures such as hosepipe bans. However, they expected that greater impacts would be felt over the next 25 years, and that the service would deteriorate as a result if nothing was done. For example, customers thought that the implications of doing nothing could include poorer quality water, flooding and water shortages	2.8	3.0	2.9
Understanding Legacy [SW007]	May-19	Qual & Quant	1068	% agree: I am concerned about the impact of climate change on Scotland's water supply - Current Bill Payers: 46% - Future Bill Payers: 68% - Those with vulnerabilities are significantly more likely than nonvulnerable customers to agree (55% vs. 47%)	2.7	3.0	2.8
				Future bill payers are more concerned about the impact of climate change on Scotland's water supply	2.7	3.0	2.8
				Customers know that the climate lends itself to a beautiful landscape that is enjoyed by all. However: - Water is becoming less reliable and increasingly unstable	2.7	3.0	2.8
Wider Environment - SR21	May-19	Qual & Quant	1102	Climate change was acknowledged by most as an important issue. There were several spontaneous references in the discussions to recent weather incidents – the mild winter, the early spring, unusual heatwaves, and last	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Environmental Priorities [SW006]				year's 'Beast from the East' storm – and the prospect of detrimental future change.			
				There was some anxiety about what could meaningfully be done in Scotland when the issue is global, although in the main the perceived urgency reinforced the value of any action to combat the consequences.	3.0	3.0	3.0
				Younger people, in particular, pointed out that their generation was more attuned to environmental issues and the impact that customer choices can have on businesses.	3.0	3.0	3.0

5.1.3 What is Customer Understanding & Acceptance of Aging Assets as a Challenge?

Key Insight:

Customers are generally surprised to hear about the scale of Scottish Water's infrastructure, and to learn its age. Customers understand and acknowledge that ageing assets are a challenge for Scottish Water. They recognise the need for investment to maintain these older assets.

References:

9 sources have been reviewed, resulting in 14 insights, with overall scores between 2.8 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 7 sources, engaging more than 500 customers.

Table 6 *What is customer understanding & acceptance of aging assets as a challenge?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative	Apr-25	Deliberative	105 HH	The scale of the infrastructure - There was surprise about the extent of the infrastructure that provides water and waste water services in Scotland. For example, one workshop participant was struck by the fact that there are over	3.0	3.0	3.0

Research Phase 1 [CS065]				60,000 miles worth of water and sewer pipes across the country and a mini group participant recalled from the presentation that laid end to end, they would go around the circumference of the earth at least twice.			
				Participants were struck by the scale of the challenge posed by ageing infrastructure, and just how old some of the pipes and water supply systems were, being between 80 to 100 years old in some instances	3.0	3.0	3.0
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	Repairing and Replacing Assets Impact of additional information: Additional details regarding the scale of the problem associated with inherited pipes from the 1970s (with 10% of pipes potentially interrupting supply) helped clarify this specific challenge. Participants were informed that these pipes were made from a material now considered unsuitable. While the information provided helped explain the issue, customers remain uncertain about the overall benefit of prioritising the replacement of these 1970s pipes	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	For participants, this area [modernise water treatment works] was viewed as very important and tangible. Increased future demand from population rises and a changing climate meant that future proofing treatment works felt necessary. In addition, 900,000 customers felt like a significant number who would be impacted. There was surprise expressed that this was optional and queries about what would happen if this measure was not taken	3.0	3.0	3.0
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	Given Scottish Water's ageing infrastructure, they [customers] recognised the need for investment and hard engineering solutions and wanted to see lasting solutions put in place.	2.8	3.0	2.9
				There was initial surprise at the age of Scotland's water infrastructure. Participants were not typically in favour of new infrastructure-heavy solutions to tackle Scotland's water shortfall, such as new dams or pipelines, due to concerns about costs and negative environmental impacts. Instead, there was a preference for updating existing infrastructure and more localised solutions, such as mechanisms to increase rainfall capture and utilise greywater.	2.8	3.0	2.9
Strategic Plan Research [SW021]	Aug-23	Qual	66	During the pre-task, awareness of Scottish Water was high, with 93% of HHs and 89% of NHHs stating that they were previously aware of Scottish Water in at least some manner, and many were able to explain some of the roles and responsibilities they had in delivering their water and waste water services. The level of knowledge was similar across HHs and NHHs, but slightly fewer participants mentioned anything relating to building and maintaining infrastructure, including fixing leaks and burst pipes.	2.8	3.0	2.9

				Those less positive about well-equipped Scottish Water is, focused on things that Scottish Water had less control over, such as the dated network of pipes. If further investment was needed in these areas, that could mean the investment needed to react to the challenges is not prioritised as highly.	2.8	3.0	2.9
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Asset Maintenance is seen as core to Scottish Waters's purpose as an organisation. Most participants are unaware of the scale of the infrastructure that Scottish Water operate, and many assume this must already be being invested in - This is seen as highly important and is seen as a "no brainer" by many. Assets interconnect to enable the water system to work (role akin to oil in an engine). Working assets mean a working operation. A minority challenged this option on the basis that it is "Scottish Waters's main job" – why is it optional? Some assume Scottish Water should just be getting on with asset maintenance.	2.8	3.0	2.9
				People intuitively understand asset maintenance, it is tangible, visual and relatable. It is clear how it provides value. People are surprised at the scope of Scottish Water's operations. Most had not considered the work that goes into providing drinking water and treating wastewater.	2.8	3.0	2.9
				Business Customers – This audience were quicker to grasp the scale of work involved and the related costs, they have an appreciation of what it takes to run a business. Non-household customers made the link to a resilient water supply; they want this to be managed seamlessly so that they can just pay their bill and get the service they need.	2.8	3.0	2.9
Future Strategy [SW008]	Oct-19	Qual	121	When asked what kind of challenges Scottish Water will face in the future, participants found it relatively easy to identify a range of challenges. The challenges customers mentioned related to four main themes: environmental change, political uncertainty, increased demand and ageing infrastructure. Most groups referred to climate change, pollution and the impact worsening weather conditions will have on current infrastructure.	2.8	3.0	2.9
				Customers expected that if Scottish Water did nothing to deal with these challenges, relatively little impact would be obvious in the next six years, with the main consequences of doing nothing being measures such as hosepipe bans. However, they expected that greater impacts would be felt over the next 25 years, and that the service would deteriorate as a result if nothing was done. For example, customers thought that the implications of doing nothing could include poorer quality water, flooding and water shortages	2.8	3.0	2.9

5.2 Asset Repair, Refurbish, Replacement (AR3)

5.2.1 What are Customer Expectations of Scottish Water in Maintaining Assets?

Key Insight:

Asset maintenance is a concept that people intuitively understand. It is felt to be highly important, and core to Scottish Water's purpose as an organisation, as it is an area that is clearly Scottish Water's sole responsibility. Customers recognise the need for investment and want to see lasting solutions put in place. Making things last is seen as an important area for Scottish Water's focus, appealing to all customers and older customers in particular. They are keen to reduce the risk of service failures, as well as avoid unnecessary costs.

Customers expect this to be an ongoing area of investment with a focus on preventing future problems. They generally expect Scottish Water to maintain or replace infrastructure before it fails to avoid service issues. Fixing assets on failure is perceived by some to cost more money over time than proactive intervention.

Customers may also seek some reassurance that investment is necessary. They may wish to be satisfied that investment is directed at parts of the system at risk of failing, and that interventions are future-proof, high quality and lasting.

References:

13 sources have been reviewed, resulting in 35 insights, with overall scores between 2.0 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 7 sources, engaging more than 1,500 customers.

Table 7 *What are customer expectations of Scottish Water in maintaining assets?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27	Apr-25	Deliberative	105 HH	Having heard about the challenges facing Scottish Water, there was broad agreement that investment and modernisation of the pipe network was crucial.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Deliberative Research Phase 1 [CS065]				It was felt that Scottish Water had already made improvements to the current water system with the funding they spent upgrading networks. However, they also appreciated this was an ongoing, long-term issue that would require significant time and financial investment.			
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	■ The ongoing programme of general repair and replacement of assets is seen as a high priority, and customers recognise from the previous stage of research the extent of the challenge here. This is increased by the additional information about the size of the network, which is surprising for some. ■ The challenges around decisions to be made regarding repair vs replacement and how to prioritise these are appreciated by customers, although most see replacement as a priority over repair. Some reassurance is sought around confidence in replacement materials and insurance against recurring issues in 50 plus years' time. Customers are concerned that materials used a few decades ago are now failing quicker than expected and questions were asked about the materials used and whether these pipes may have a shorter lifespan than older parts of the network that are up to 100 years old. ■ There are some concerns about prioritising the 1970s pipes if they only represent 10% of the network and are described as having smaller leaks. However, repeated supply interruptions are felt to be unacceptable, especially to NHH customers who see this as potentially very disruptive. ■ Customers sometimes consider references to legacy systems and inherited problems as an excuse for lack of previous investment, and this can cause resentment that they are now being faced with paying the price for this.	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	[Replacing old pipes] This was viewed as a critical area of investment where being proactive was required to minimise bursts and future service disruption.	3.0	3.0	3.0
				As with other segments, Future Customers want to see Scottish Water commit to maintaining assets that will protect the water quality and supply in the future and a commitment to future proofing these assets in line with challenges around population growth and climate change	3.0	3.0	3.0
Climate change, water and Scotland's future [Consumer	May-24	Qual	41	Participants felt that action to reduce household and business water use and infrastructure investment would both be required to tackle the impacts of climate change on water resources. Given Scottish Water's ageing infrastructure, they recognised the need for investment and hard engineering solutions and wanted to see lasting solutions put in place	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Scotland] [CS037]							
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Core Business Functions- They impact the majority of customers & must be delivered with excellence to ensure expected service levels are met. The investment areas included in this category are: o Water Quality o Asset Maintenance o Water Supply resilience	2.8	3.0	2.9
				Asset Maintenance is seen as core to Scottish Waters's purpose as an organisation. Most participants are unaware of the scale of the infrastructure that Scottish Water operate, and many assume this must already be being invested in - This is seen as highly important and is seen as a "no brainer" by many. Assets interconnect to enable the water system to work (role akin to oil in an engine). Working assets mean a working operation. A minority challenged this option on the basis that it is "Scottish Waters's main job" – why is it optional? Some assume Scottish Water should just be getting on with asset maintenance.	2.8	3.0	2.9
				People intuitively understand asset maintenance, it is tangible, visual and relatable. It is clear how it provides value. People are surprised at the scope of Scottish Water's operations. Most had not considered the work that goes into providing drinking water and treating wastewater.	2.8	3.0	2.9
				What is Scottish Water's role in Asset Maintenance? This is seen as clearly Scottish Water's responsibility, and no other agency has responsibility. Most assume you've been working hard on this already and believe it should be invested in continuously.	2.8	3.0	2.9
Future Strategy [SW008]	Oct-19	Qual	121	Option A: Scottish Water could fix things as and when they fail. This could cost less money initially but could mean there would be more risk of problems with people's water supply and wastewater service when things fail. Option B: Scottish Water could identify in advance when infrastructure is likely fail, and work to fix or replace it before it fails. This could cost more money initially but could mean there would be less risk of problems developing with people's water supply and wastewater service over time.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Overall, customers showed a preference for Option B (79% vs 10%), both before and after deliberation - In contrast, Option A was seen as a short term response – one participant described this as being akin to 'putting a sticking plaster over the problem' – that did not go far enough in terms of preventing future problems and could ultimately have a negative impact on customers' trust in Scottish Water.			
				While - Option B was favoured overall, the main advantage of Option A was perceived to be the lower upfront cost. However, some queried whether this approach may ultimately cost more over time, as assets may need to be continually fixed and repaired which would eventually accrue a high cost. - It was suggested that some assurance would be needed that money was only being spent on parts of the system that were at risk of failing, and to demonstrate that money was not being invested unnecessarily.	2.8	3.0	2.9
				Like domestic customers, most businesses preferred Option B, working to fix or replace infrastructure before it failed.	2.8	3.0	2.9
				The perceived benefits of Option B very much echoed those given by domestic customers, focussed on the lower risk of interruption to supplies and the ability to plan ahead so as to avoid unexpected problems. When discussing the relative merits of each approach, businesses emphasised again their reliance on water and the need to avoid, or at least have an alternative plan in place for, any interruptions to supply.	2.8	3.0	2.9
				Which areas are the most important for Scottish Water to invest in over the next 25 years? - 30% Reliable service - 28% Making things last - 27% Climate Change - 18% Tackling Climate Change - 9% Protecting water services against the impact of climate change - 10% Innovative approaches - 5% Enhancing the natural environment	2.8	3.0	2.9
				Customers saw making things last as a very important area for Scottish Water to focus on in future. It appealed to all age groups, but particularly to the oldest	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				customers (those aged 50+). People viewed it as vital, cost effective, beneficial to all in the long term and closely connected to reliable service.			
				It should be noted customers interpreted 'making things last' to mean maintaining and repairing assets to avoid problems arising in the future. The idea of regenerating assets and adopting circular economy principles were not discussed, suggesting that these concepts were not yet familiar to participants.	2.8	3.0	2.9
				Many referred back to the earlier discussion on investment in infrastructure and their preference for a proactive approach which will prevent unforeseen interruptions to supply. Some felt that making things last should be something that Scottish Water should put first and only then look at addressing other areas. Older participants in particular expressed their dissatisfaction with things being patched up, such as road repairs that do not last. There was a strong desire to ensure that investment in infrastructure will last so that high service and quality standard will be maintained in the medium and longer term.	2.8	3.0	2.9
				As with domestic customers, businesses saw advantages to making things last, primarily in relation to reducing the risk of service failures and therefore avoiding unnecessary costs of repairs. Reference was made to population increases putting additional pressures on the system and businesses therefore emphasised the importance of having infrastructure that can sustain larger volumes of use in the long term.	2.8	3.0	2.9
Understanding Legacy [SW007]	May-19	Qual & Quant	1068	Replacing ageing assets is a priority that has not yet been fulfilled and would justify an increase in charges	2.7	3.0	2.8
				Maintaining current supply, and replacing ageing assets is important for business customers	2.7	3.0	2.8
				Replacing ageing assets is a priority area that ticks a number of boxes for both current and future bill payers: - Helps ensure consistent supply and waste services - Protects the environment by minimising leakages/flooding - There's an understanding that charges may need to increase to cover replacement – if it's more than just maintenance	2.7	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				The water industry has permission to go beyond just 'maintaining'. There's a role to play in innovating and influencing. Infrastructure - Innovative, forward thinking tech approaches are all welcome to ensure a robust water supply in the future	2.7	3.0	2.8

5.3 Drinking Water Quality

This section covers drinking water quality (regulatory), water aesthetics and lead.

5.3.1 What are Customer Perceptions of Drinking Water Quality in Scotland?

Key Insight:

Customers consistently express high satisfaction with the quality of drinking water in Scotland, often making connections to national pride and Scotland's identity. When customers are asked about drinking water quality, they tend to respond in terms of taste, odour and discolouration rather than regulatory drinking water quality. Many customers believe the water in Scotland is "the best in the world", leads in taste and quality and are keen for these standards to be preserved.

For many customers, the quality of the drinking water that Scottish Water provides is the most tangible and visible aspect of service and perceive this as the core of what they are paying for.

References:

20 sources have been reviewed, resulting in 79 insights, with overall scores between 2.3 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 7 sources, engaging more than 700 customers.

Table 8 *What are customer perceptions of drinking water quality in Scotland?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Water Quality Research [SW064]	Jun-25	Qual	220	[Customers who have experienced a drinking water quality issue] Chlorine or bleach-like taste and smell were the most commonly reported [quality] issues across both urban and rural areas. However, urban residents more frequently reported metallic, stagnant or chemical tastes, while rural respondents cited earthy or 'peaty' tastes, often linked to weather patterns (e.g. drought or rainfall). Many reported that issues were intermittent but persistent over the years,	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				contributing to long-term dissatisfaction/faith in Scottish Water to resolve this issue.			
				Many customers lacked understanding of how water is treated or why taste and smell issues occur, often leading to speculation. Customers expressed a desire for more accessible, proactive information about water quality and the water journey to the tap.	2.8	3.0	2.9
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	Domestic customers were keen to emphasise the positives of Scottish drinking water, suggesting words such as ‘Clean’, ‘Delicious’, ‘Fresh’, ‘Tasty’, ‘Pure’, ‘Natural’, and ‘Quality’. They described feeling very fortunate to drink Scottish water, comparing their water supply to parts of the world where water is scarce, or unsafe to drink. Participants felt that the water in Scotland compared favourably to water in England, which was thought to be harder, and to taste less good, than the softer water in Scotland. It was suggested that water in England was less pure than that in Scotland and tasted more like a “processed liquid” than water.	3.0	3.0	3.0
				However, negative words were also mentioned by participants in relation to water in Scotland, including ‘Chemicals’, ‘Pollution’, ‘Waste’, and ‘Sewage’. These words reflected personal experiences with water, with participants describing having drinking water that smelled like it had been treated with chlorine, and seeing water leaks and pollution reported on the news (“bad headlines”).	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	Baseline satisfaction across the groups was good with customers talking positively about the quality and freshness of water in Scotland, the consistency of supply and how the overall water service experience was superior to England.	3.0	3.0	3.0
				Five key association themes emerged from both household and business customers - Pride in Water Quality The national pride associated with water quality in Scotland plays a significant role in shaping customer expectations. Participants often use patriotic language, viewing Scottish Water as a symbol of local pride, which adds a layer of responsibility in ensuring high standards are maintained. This perception makes customers more likely to hold Scottish Water to high expectations, especially in terms of quality, sustainability, and protection of the resource."	3.0	3.0	3.0
				Five key association themes emerged from both household and business customers - 'Better than' England	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				There was a widespread belief, regardless of sample type, that water quality was better in Scotland than in England. Participants referenced the taste of the water as well as its benefits for their hair and skin when washing. This higher quality was attributed to different factors such as amount of rain, governance and ownership models in Scotland compared to England, proximity to hills and springs and the operational processes and structures in place in Scotland. This 'Better Than' framing and the mirror of watching English water services decline drives some appetite for investment and a keenness for the current quality of water and service levels to be preserved.			
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	Many have a sense of pride in Scotland's water. Scottish water is firmly associated with the country of Scotland. The sense of pride felt towards Scottish water is in contrast to the situation in England. Water in Scotland is felt to be of the highest quality.	3.0	3.0	3.0
				Ultimately, customers think Scottish water is a precious resource and they want to ensure that it is kept safe. Many point to negative media coverage of water companies in England polluting rivers, watercourses and coastal areas and want to ensure that Scottish Water do not act in a similar manner. They want Scottish Water to protect the water in Scotland as it is a great asset. It should not be squandered like in England.	3.0	3.0	3.0
				Drinking water quality was seen to affect everyone. This was in comparison with sewer flooding which was seen to only affect the few.	3.0	3.0	3.0
				Respondents from businesses had similar perceptions to household customers. Those in the hospitality sector were particularly keen to ensure the safeguarding of Scotland's water as their paying customers value it.	3.0	3.0	3.0
				Similarly to the previous two water related SDCs, customers are very pleased with the taste, smell and appearance of Scottish water. Only a minority of customers had experienced issues with it e.g. their drinking water tasted of chlorine or had a metallic taste. This was usually for a short period.	3.0	3.0	3.0
				Water taste smell and appearance was deemed to be good at present and relatively speaking was not as important as other elements.	3.0	3.0	3.0
				From a business customer perspective, one respondent noted that appearance can affect perceptions of quality. So, for example, peat staining may affect the	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				colour of the water, which may in turn may lead someone to assume that the quality of safety of the water is affected			
Strategic Plan Research [SW021]	Aug-23	Qual	66	All customers agreed that investment in delivering a consistently excellent water supply was important. This was an area that customers considered Scottish Water to already be performing well at, with many being very pleased with the quality of water they supplied with. NHHs especially commented that the quality of water is much higher than in 'the south', i.e., England. Investment, therefore, is needed to ensure the quality remains high, and they were happy with the ambition to further increase its reliability and quality.	2.8	3.0	2.9
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	There is a sense of pride in Scotland's water, and Scottish water is firmly associated with Scotland, the sense of pride felt towards Scottish Water is uncommon for English water firms. Customers tend to trust Scottish Water to deliver and assume they have their best interests at heart. Many believe the water in Scotland is "the best in the world" when compared to water in other countries. Comparisons to English Water were made, but also to the water abroad where you can't drink water out of the tap.	2.8	3.0	2.9
				Core Business Functions- They impact the majority of customers & must be delivered with excellence to ensure expected service levels are met. The investment areas included in this category are: o Water Quality o Asset Maintenance o Water Supply resilience	2.8	3.0	2.9
				Water quality is vital to customers and is core to what they believe they are paying for. Scottish Water is spoken of highly and is felt to be world-leading in its quality and taste, because of this there is little understanding of the work involved and why investment would be needed. For non-household customers water quality is more important to those providing drinking water/ food to customers.	2.8	3.0	2.9
				Value and Expectations: Scottish Water - Most refer to the water quality as the most valuable aspect, because it is tangible and visible. So, the most valued aspect is the product/service provided rather than customer service Scottish Water can provide as a company.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Future Strategy [SW008]	Oct-19	Qual	121	One of the most positive aspects of water services that emerged, unprompted, was the high quality of drinking water in Scotland. Drinking water was often described as "pure" and "clean" particularly in comparison with drinking water in England and was linked to a collective sense of pride in this aspect of the water service.	2.8	3.0	2.9
				While customers were generally positive about drinking water quality, a few older participants in one location (Fort William) expressed some disappointment that their water had changed over time and was no longer "peaty" in colour and flavour.	2.8	3.0	2.9
				The vast majority (97%) of domestic customers that took part in the voting exercise said they were satisfied with the quality of their drinking water.	2.8	3.0	2.9
				Customers' overwhelming perception was that Scottish Water was doing a good job and should therefore 'keep up the good work' in each of the key areas of water quality.	2.8	3.0	2.9
				Reflecting their high satisfaction with drinking water quality and the sense of pride this gave them, customers felt that maintaining water quality was an essential role for Scottish Water. They welcomed the information provided about Scottish Water's role in this area, which indicated that tap water quality was at 99.9%, and showed a strong desire for that high standard to be maintained in future.	2.8	3.0	2.9
				Businesses were positive about the service they had received and particularly praised the quality of drinking water which was seen as a much higher standard than that provided in England.	2.8	3.0	2.9

5.3.2 What is the Perceived Impact of Drinking Water Quality Issues on Customers?

Key Insight:

When customers experience issues with drinking water quality, it can result in a loss of trust in the tap water supply and in Scottish Water as a whole.

The impact of water quality issues varies depending on the individual circumstances of the customer, and the nature of the water quality issue. Customers are concerned by potential health impacts in the event of quality issues. Households with children are concerned about children drinking water when out of sight, and businesses are concerned about their ability to operate, as well as risks to health and safety for staff and customers. Customers expect Scottish Water to communicate quickly around the safety of water in the event of issues.

References:

14 sources have been reviewed, resulting in 53 insights, with overall scores between 1.4 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 7 sources, engaging more than 3,000 customers.

Table 9 *What is the perceived impact of drinking water quality issues on customers?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Water Quality Research [SW063]	Jun-25	Qual	220	[Customers who have experienced a drinking water quality issue] Chlorine or bleach-like taste and smell were the most commonly reported [quality] issues across both urban and rural areas. However, urban residents more frequently reported metallic, stagnant or chemical tastes, while rural respondents cited earthy or ‘peaty’ tastes, often linked to weather patterns (e.g. drought or rainfall). Many reported that issues were intermittent but persistent over the years, contributing to long-term dissatisfaction/faith in Scottish Water to resolve this issue.	2.8	3.0	2.9
				Trust in the water supply was low [from customers who have experienced a quality issue], and adaption of water drinking was high. Most respondents primarily drank tap water but often filtered it, added squash, or opted for bottled water, especially when away from home. Water taste and smell were widely perceived as unpredictable, contributing to low trust in the tap water supply, particularly in unfamiliar areas/when ‘out and about’, which increased use of bottled water.	2.8	3.0	2.9
				Most [who have experienced a drinking water quality issue] were impacted intermittently by water quality issues, and it often didn’t feel regular enough, or serious enough to contact Scottish Water. Most were impacted financially	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				and practically, from the costs of bottled water or filters, to the time spent filtering/boiling water, and general inconvenience. Part-time workers and retirees were more likely to use water filters, while full-time workers relied more on bottled water.			
				In rarer cases, respondents shared the emotional impacts of water quality issues, including anxiety, frustration, and in a few cases, diminished enjoyment of homeownership. A small number also reported health-related concerns.	2.8	3.0	2.9
				Self-led interventions were common [for those who have experienced issues], with respondents often trying multiple interventions. However, they ranged in levels of effectiveness. Common actions included using water filters, boiling water, running taps, and using flavouring to mask taste. Filters were the most effective but also the most costly. Retired individuals and homeowners were more likely to invest in long-term solutions like filter jugs and filter systems. Renters tended to feel more financially burdened and had fewer options, often relying on landlords to fix the issue.	2.8	3.0	2.9
Understanding Expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	76	What people understood by taste/smell? Potential health & safety risks were identified by most. It is seen as a common issue that many have experienced that often resolves itself.	2.8	3.0	2.9
				SW's role in taste/smell: Customers expect an immediate response from Scottish Water to either reassure them that the water is safe or to take action and test the water	2.8	3.0	2.9
				Timescale expectations for taste/smell: Urgent (ASAP): If the water is unsafe/ the cause for the issue is unclear, customers expect Scottish Water to start working on resolving the issue immediately. Less urgent (24 hours): Customers are prepared to wait a couple of days if the water is safe, depending on the severity of the issue SW timescales: 2 hours (urgent) / 4 hours (non-urgent)	2.8	3.0	2.9
				[Taste/smell] Seen as urgent until Scottish Water have confirmed that it is safe to drink. Potential serious health and safety risk if it's not. Customers	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				expect an immediate response to confirm this. Customers are willing to cope for a few days if it is safe as long as bottled water accessible for drinking.			
				Businesses [about taste/smell] (ASAP): Seen as high priority for businesses relying on water for food/ drink as they wouldn't be able to trade if this issue occurred. They would expect an immediate response due to trading/ financial impact.	2.8	3.0	2.9
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	[Non-household customers classified as high water dependence - The whole business is reliant on the supply / quality of water to operate] - Supply and quality are important from a health and safety perspective as well as for the business's reputation. For example, hairdressers can't use "brown" peat-stained water for washing hair, if they were to do so it would damage their reputation and customer relationships.	2.8	3.0	2.9
				[Non-household customers classified as medium water dependence - Machinery is reliant on water supply to operate, although usage is quite low] - The supply of water is more important than its quality. - Employees need drinking water, washing facilities and toilets, there is no customer usage.	2.8	3.0	2.9
				[Non-household customers classified as low water dependence - Water is not essential for running the business and they can operate with an interrupted supply] - They are able to find alternatives that would cover their needs e.g., working from home, using neighbour's toilet, or getting bottled water. - Employees need drinking water, washing facilities and toilets, but only if/when in the office and there is limited customer usage.	2.8	3.0	2.9
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	As anticipated, the Impact score for households was much smaller when told they could boil their water to make it safe rather than if this option was not available.	3.0	3.0	3.0
				The Impact of unpleasant taste and odour was found to be higher than the impact of discoloured water.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR21 Customer Engagement (Business Customers) [SW012]	Jan-17	Qual	14	Scenarios least able to cope with (1-5): 5. Boil: Scottish Water tells you that you must boil your water before drinking it. 3 businesses could easily cope.	2.8	3.0	2.9
SR21 Customer Engagement (Household Customers) [SW013]	Jan-17	Qual	54	Scenarios most able to cope with (1-6): 5. Permanent discolouration: Subjective, with older customers feeling more apathetic about the impact	3.0	3.0	3.0
Understanding Views on Resilience [SW001]	Aug-16	Qual & Quant	c.1350	Domestic resilience: Key differences by subgroups: - After considering the issues any interruption, quality or surface water event lasting 2-3 days would be perceived as a “severe event” affecting people’s routines and well being	3.0	3.0	3.0
				Water Quality events raised more serious concerns than interruptions to supply - contamination sources and the long term health implications drive concern. Respondents with children had concerns over their children drinking water when out of eye sight and the associated health implications	3.0	3.0	3.0
				Rural participants thought they would have more resilience [to an issue impacting water quality]; they were more likely to have experienced e.g. adverse weather events requiring the community to pull together	3.0	3.0	3.0
				A large scale hydrocarbon quality event was perceived as the most severe [water quality] scenario; boil notices were perceived to be least severe	3.0	3.0	3.0
				Businesses had better perceived resilience for water quality scenarios -based on the assumption that there would be bottled water available for drinking and that staff would still be able to come into work	3.0	3.0	3.0
				In theory smaller businesses could go on using bottled water or boiling kettles for 1-2 weeks, whereas larger companies would likely encounter more issues obtaining water and looking after staff due to quantities involved [during water quality issue]	3.0	3.0	3.0
				More rurally located businesses are likely to have a defined support network / safety net [for water quality issues]	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Many would have to cease trading in the event of an interruption, quality or surface water scenario –with clear financial impact	3.0	3.0	3.0
				Businesses dependent on water (e.g. clothing manufacturer) would be most affected [during a water quality event] –most have limited contingency and think they could operate for 24 hours. Even those with low dependence on water think they could only operate for around 72 hours	3.0	3.0	3.0

5.3.3 What are Customer Expectations of Scottish Water Regarding Drinking Water Quality?

Key Insight:

Customers do not have a strong understanding of the work required to maintain drinking water quality and might not understand why investment in this area is required. Customers who perceive drinking water quality to already be very high, might be less likely to prioritise investment in this area. However, the national pride associated with Scotland's drinking water quality also means that customers have high expectations, expecting Scottish Water to maintain what they perceive as the current high standards.

Once customers are informed of water treatment processes, and the need for investment to address Scottish Water's three Long-Term challenges, they generally support investment to maintain the quality of water in the future.

Some customers are aware of the role of other industries and organisations in the safeguarding of drinking water quality e.g. agriculture and expect Scottish Water to work together with these sectors.

References:

19 sources have been reviewed, resulting in 54 insights, with overall scores between 2.1 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 11 sources, engaging more than 4,500 customers.

Table 10 *What are customer expectations of Scottish Water regarding drinking water quality?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Water Quality Research [SW063]	Jun-25	Qual	220	Many [who have experienced a water quality issue] did not contact Scottish Water due to apathy, low expectations of resolution, or belief that issues were not serious enough. There was widespread confusion about who is responsible for water quality issues (e.g. landlord, council, or Scottish Water). Awareness of contact routes and communication clarity from Scottish Water were low, especially among renters and those in rural areas with private water supplies	2.8	3.0	2.9
				Respondents requested improved communication, transparency about water treatment, regular quality reports, and quicker maintenance updates. Older and rural respondents prioritised infrastructure upgrades and long-term supply security; younger and urban respondents emphasised improved taste, digital updates, and easier complaint mechanisms. Some suggested Scottish Water provide filters or bottled water, or fit filters in homes as a standard.	2.8	3.0	2.9
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	There was some confusion about the extent of Scottish Water's responsibility. Participants understood the need for testing water for lead and legionella, but did not recognise that, in many cases, this was the responsibility of the household not Scottish Water since it would relate to their plumbing, and not their water supply	3.0	3.0	3.0
				Participants also highlighted areas that they believed Scottish Water needed to focus more on. These included focussing on tackling external and internal sewer flooding, repairing and replacing pipes, maintaining water quality, and ensuring that customers' supply was uninterrupted. While focussing on these areas, participants thought that Scottish Water should remain environmentally conscious. Participants also felt that more customer education and awareness-raising was required to help people to understand the water usage and the steps they could take to reduce it.	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	Five key association themes emerged from both household and business customers - Pride in Water Quality The national pride associated with water quality in Scotland plays a significant role in shaping customer expectations. Participants often use patriotic language, viewing Scottish Water as a symbol of local pride, which adds a layer of responsibility in ensuring high standards are maintained. This perception makes customers more likely to hold Scottish Water to high	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				expectations, especially in terms of quality, sustainability, and protection of the resource.			
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	Drinking water quality and sewage treatment works stood out as priorities for workshop respondents.	3.0	3.0	3.0
				The propensity to prioritise drinking water quality was less pronounced for those who perceived it to be very high already (i.e. out with the Central Belt).	3.0	3.0	3.0
				Similarly to households, drinking water quality and sewage treatment works stood out as priorities for businesses.	3.0	3.0	3.0
				Drinking water quality was prioritised for several reasons: • Water quality is of universal importance – it affects us all (as opposed to flooding). • Respondents perceived Scotland's water to be of high quality compared to England – it is a precious resource which should kept safe. For many, national pride influences the priority the assign to drinking water.	3.0	3.0	3.0
				Drinking water quality was prioritised again as drinking water is a universal need, and it is perceived to be a precious resource to be preserved. Organisations reliant on water, and Tourism/Hospitality particularly prioritised water quality as it affected their customers directly	3.0	3.0	3.0
				Water taste smell and appearance was deemed to be good at present and relatively speaking was not as important as other elements.	3.0	3.0	3.0
				Some customers raised the issue of responsibility. Taste smell and appearance can be affected by many stakeholders. They asked who else is responsible for this service area and whether partnering with other stakeholders such as farmers would facilitate greater progress	3.0	3.0	3.0
				A minority of customers mentioned that this SDC [taste, odour & appearance] requires the management of agricultural run-off. They wanted to know what Scottish Water are doing to manage this. This was not mentioned in the wording which described how the water sector vision for this SDC would be achieved.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Long Term Investment Planning [SW055]	Oct-24	Quant	1160	Most believe water quality is already of a high standard so are happy to maintain – rather than improve - service levels in this area – with the same applying to taste, smell and appearance.	3.0	3.0	3.0
				With 19 coins to spend, maintaining the drinking water quality and taste smell and appearance was a priority – with 50% of household customers choosing to maintain drinking water quality, and 42% choosing to maintain drinking water taste, smell and appearance – the most popular selections for each of these service areas.	3.0	3.0	3.0
				When given 19 coins to spend, we saw that future customers were more likely than current bill payers (household customers) to prioritise improvements to drinking water.	3.0	3.0	3.0
				Business customers were more likely to want to improvement on drinking water related service areas than household customers.	3.0	3.0	3.0
				[When asked about what should be delivered sooner] Household customers wanted to see improvements to drinking water quality and spills from the network delivered with the most urgency – with largest proportion of customers ranking these as top priority (1st) and also ranking these in the top 3 priorities.	3.0	3.0	3.0
				[When asked about what should be delivered sooner] Drinking water quality was perceived to be more urgent as it is seen as a basic right that everyone needs and deserves - so investment is required even to maintain this.	3.0	3.0	3.0
				[When asked about what should be delivered sooner] All drinking water service areas were more urgent to future customers than current bill payers. The sewage categories are deemed less urgent, with fewer future customers ranking these in their top 3 priorities to be delivered sooner	3.0	3.0	3.0
				[When asked about what should be delivered sooner] Younger customers (aged 16-54) were more likely to want to see improvements to drinking water supply, quality and taste, smell and appearance delivered sooner. Older customers (aged 55+) were more likely to seek urgency on spills from the sewer network.	3.0	3.0	3.0
Strategic Plan Research [SW021]	Aug-23	Qual	66	All customers agreed that investment in delivering a consistently excellent water supply was important. This was an area that customers considered Scottish Water to already be performing well at, with many being very	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				pleased with the quality of water they supplied with. NHHs especially commented that the quality of water is much higher than in 'the south', i.e., England. Investment, therefore, is needed to ensure the quality remains high, and they were happy with the ambition to further increase its reliability and quality. - The only exception to this sentiment was from a small number of NHH customers who did not consider the objective added much to what was already being delivered by Scottish Water.			
				When asked about how the challenges shown would impact Scottish Water's ability to deliver against this objective [delivering consistently excellent water supply], customers felt more unreliable weather could certainly have an impact. They also wondered whether an increasing population, resulting in increased water demand, could impact the amount of water in reservoirs, which in turn could lead to a less reliable supply in the future, so this is something Scottish Water needs to keep on top of.	2.8	3.0	2.9
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Core Business Functions- They impact the majority of customers & must be delivered with excellence to ensure expected service levels are met. The investment areas included in this category are: o Water Quality o Asset Maintenance o Water Supply resilience	2.8	3.0	2.9
				Water quality is vital to customers and is core to what they believe they are paying for. Scottish Water is spoken of highly and is felt to be world-leading in its quality and taste, because of this there is little understanding of the work involved and why investment would be needed. For non-household customers water quality is more important to those providing drinking water/ food to customers.	2.8	3.0	2.9
				Importance of Water Quality - Highly important but paradoxically open to challenge. High quality drinking water is so normal people take it for granted. Customers point out Scottish Water is not starting from a low base, as the natural environment puts Scotland far ahead of other countries. Some make the connection that Scottish Water need invest in other areas to maintain this goal (attain it obliquely).	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				What is Scottish Water's role in maintaining water quality? - This is clearly Scottish Water's responsibility; no other agency has responsibility. The quality of Scottish Water is already there so maintain the good work you are doing by continuously investing.	2.8	3.0	2.9
				Business Customers [in relation to water quality] – They linked water quality to their own responsibilities for the health and safety of their staff/ customers. They had an awareness of how this might reflect on them as a business if it was of poor quality	2.8	3.0	2.9
Future Strategy [SW008]	Oct-19	Qual	121	Customers' overwhelming perception was that Scottish Water was doing a good job and should therefore 'keep up the good work' in each of the key areas of water quality.	2.8	3.0	2.9
				Reflecting their high satisfaction with drinking water quality and the sense of pride this gave them, customers felt that maintaining water quality was an essential role for Scottish Water. They welcomed the information provided about Scottish Water's role in this area, which indicated that tap water quality was at 99.9%, and showed a strong desire for that high standard to be maintained in future.	2.8	3.0	2.9
Licensed Provider Perceptions of Customer Priorities [SW004]	Nov-17	Qual	12	Drinking water quality, as a high priority, caused polarisation amongst some LP's, as although it is important, it is believed that this is a hygiene factor of SW operating as a water company. In addition, their belief is that the current standard of drinking water quality is exceptionally high already and so isn't an issue for their customers and therefore not a high priority for investment. There are other aspects that they feel are more pressing.	2.5	3.0	2.8
				Drinking water quality causes some polarisation of views amongst LP's in terms of whether it should be in the high priority ranking or not. For a few individuals it is felt that the quality of the drinking water is a hygiene factor – a given for an organisation operating as a water company. Equally for a number of LP's, the water quality is deemed very good currently, and they don't experience many issues from their customers about it and therefore don't believe it should be considered a high priority. - However, for many others it is logical that drinking water quality (i.e. translated to safety) is a high priority especially for some cases, such as 'sensitive customers' e.g. hospitals, schools, care homes etc.	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	Household participants were given 30 seconds to name up to three things that Scottish Water should concentrate on in the future. - Safe, clean drinking water - fresh, pure etc (18%) - Water quality - taste, smell etc (12%) - Sewage/sewer flooding (8%)	3.0	3.0	3.0
				For non-households that were given 30 seconds to name up to three things that Scottish Water should concentrate on in the future, the main things mentioned were: - Water quality - taste, smell etc (26%) - Safe, clean drinking water - fresh, pure etc (23%) - Supply reliability (18%)	3.0	3.0	3.0
				There were some significant variations in perceptions about concentrating on safe, clean drinking water in the future. It was mentioned more by rural residents, younger people and people in lower social classes: - More in social class DE (29%) than in social class AB (12%) or C1C2 (18%) - More younger people aged 16 to 34 (24%) than people aged 65 or older (18%) - More in rural/remote rural areas (24%) than in urban areas (16%).	3.0	3.0	3.0
Understanding Views on Resilience [SW001]	Aug-16	Qual & Quant	c.1350	Once they had thought it through, most customers had a good grasp of what SW's responsibilities were Spontaneous impressions included: - Providing safe, clean water - Taking away sewage - Maintaining the infrastructure / network / water cycle	3.0	3.0	3.0
				Customers want to know how the [water quality] situation has come about rather than a scientific explanation of what is occurring within the water supply	3.0	3.0	3.0

5.3.4 *What are Customer Expectations for Dealing with Lead in the Network?*

Key Insight:

Customers generally have little knowledge of the potential presence of lead in drinking water. When discussed, most customers are concerned by the health risks of lead pipes.

A significant proportion of customers are unsure whether they have lead pipework in their own properties. Many customers are unsure about their responsibility regarding internal and external pipework at their properties, which hampers proactive action currently, as does the cost and upheaval of replacement. Knowledge of Scottish Water's pipe replacement policy, free water testing and information on the health risks is likely to motivate many customers.

Most customers believe that there are no/very few lead pipes still present in Scottish Water's network, assuming that they have already been eradicated. Customers can be shocked and concerned to learn that lead is still present in the network. Overall, customers expect that SW will replace any lead still found to be present in the water mains and in the communication pipe.

References:

5 sources have been reviewed, resulting in 79 insights, with overall scores between 2.1 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 2 sources, engaging more than 1,279 customers.

Table 11 *What are customer expectations for dealing with lead in the network?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Scottish Water Lead Removal [SW047]	Aug-24	Qual & Quant	1226	There is little knowledge of the presence of lead in drinking water - 72% of household customers say they have no knowledge about the presence of lead in drinking water - 56% of non-household customers say they have no knowledge about the presence of lead in drinking water	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Both household and non-household respondents have a low awareness of the potential presence of lead in their water supply and the specific health risks associated with lead pipes.	2.8	3.0	2.9
				How concerned are you about the presence of lead in your drinking water? (Base: 1000 HH) 13% 7 - Extremely concerned 10% 6 16% 5 13% 4 13% 3 13% 2 16% 1 - Not concerned at all 6% Don't know 42% of household customers are unconcerned and 39% are concerned	2.8	3.0	2.9
				How concerned are you about the presence of lead in your drinking water? (Base: 200 NHH) 18% 7 - Extremely concerned 19% 6 21% 5 14% 4 11% 3 6% 2 10% 1 - Not concerned at all 3% Don't know 27% of non-household customers are unconcerned while 57% are concerned	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				A significant proportion of people and organisations are unsure whether they have lead pipework	2.8	3.0	2.9
				Younger people, and those with a low SEG, are more likely to believe that they may have lead pipework within their property	2.8	3.0	2.9
				Respondents living in a flat / tenement / apartment are less likely to know whether they have lead pipework	2.8	3.0	2.9
				Many customers are unsure about their responsibility regarding internal and external pipework, which hampers proactive action currently.	2.8	3.0	2.9
				The general population (and businesses) will need to be encouraged to investigate their property for the presence of lead through astute, targeted communication campaigns.	2.8	3.0	2.9
				Why are you concerned about the presence of lead in your drinking water? (Base: 416 HH) 77% Health / water quality concerns 20% Uncertainty / lack of knowledge 9% Infrastructure and contamination 7% Personal and family protection 2% Personal experience 5% Other	2.8	3.0	2.9
				Why are you concerned about the presence of lead in your drinking water? (Base: 114 NHH) 59% Health / water quality concerns 18% Employee safety concerns 9% Business reliance on clean water 4% Uncertainty / lack of knowledge 2% Infrastructure and contamination 20% Other	2.8	3.0	2.9
				Health and safety concerns are the most significant motivator for replacement	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				The most significant barrier is the cost of replacement	2.8	3.0	2.9
				Naturally, the cost of replacement works can vary based on several factors, however, a range of responses were given with the most common options cited between £750 and £2000. An approximate average (using midpoints) works out at around £1,600. - Younger respondents and renters expect the cost of replacement to be lower than older respondents and homeowners. There were no significant differences by other demographics.	2.8	3.0	2.9
				Most respondents would be likely to replace lead pipework if present at their property	2.8	3.0	2.9
				What, if anything, would motivate you to investigate whether there is lead present in the pipework that serves your property? (Base: 586 HH) 56% Availability of free water testing 46% Information on the health risks 40% Information on how to check interior pipework 37% Seeing / hearing / receiving information about lead pipework from SW 23% Knowledge of when your property was built (i.e. before 1969) 11% Selling your property / buying a new property 2% Other	2.8	3.0	2.9
				What, if anything, would motivate you to investigate whether there is lead present in the pipework that serves your property? (Base: 91 NHH) 59% Information on the health risks 55% Availability of free water testing 46% Concerns raised by staff 38% Information on how to check interior pipework 38% Seeing / hearing / receiving information about lead pipework from SW 27% Knowledge of when your property was built (i.e. before 1969) 18% Selling your property / buying a new property	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				2% Other			
				What information or guidance do you think Scottish Water should communicate to customers to encourage them to remove the lead pipes/fittings from their property? (Base: 1000 HH) 38% The health risks associated with lead 26% An idea of the cost of the works 21% Information and guidance on how to test for / identify lead pipes 21% Information on the new Drinking Water Directive 9% A list of suitable local contractors who can do the work 7% Case studies or testimonials from other homeowners who have successfully removed lead pipes 6% An idea of how much disruption / mess would be caused by the works	2.8	3.0	2.9
				What information or guidance do you think Scottish Water should communicate to customers to encourage them to remove the lead pipes/fittings from their property? (Base: 200 NHH) 29% The health risks associated with lead 16% Information and guidance on how to test for / identify lead pipes 14% Information on the new Drinking Water Directive 12% An idea of the cost of the works 12% Case studies or testimonials from other homeowners who have successfully removed lead pipes 10% A list of suitable local contractors who can do the work 8% An idea of how much disruption / mess would be caused by the works	2.8	3.0	2.9
				Free water testing and information on health risks are potent motivators for customers to investigate and ultimately address lead pipework. Communication campaigns should leverage these triggers. Practical information around how to check for the presence of lead in interior pipework is also key at this stage.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				A multi-channel approach to reach different demographics effectively will be required. Letters and leaflets remain the most desired channel – significantly so for older populations - and digital media, including social media is increasingly key to reach younger audiences.	2.8	3.0	2.9
				Informing customers about Scottish Water's lead pipe replacement policy appears to increase the likelihood of customers taking action to replace lead pipes in their properties. A feeling of collaboration between Scottish Water and customers would likely encourage more customers to take action.	2.8	3.0	2.9
				Community engagements could encourage more customers to take action through raising awareness and harnessing peer influence (a domino effect). These types of engagements will be particularly crucial for those living or working in buildings with shared community areas where collaboration between residents or businesses is required.	2.8	3.0	2.9
Understanding Lead Removal [SW011]	Jul-18	Qual	53	Most customers believe that there are no/very few lead pipes still present in the system. The assumption is that these were eradicated 'quite some time ago'. As a result, many are surprised to find out that there are still some lead pipes present in the system. A number are even 'shocked' and in a few cases, 'annoyed' to discover that lead pipes were still present.	3.0	3.0	3.0
				There is a small but consistent group of individuals who are not convinced by the health risks. These people tended to believe that the actual number of people who are affected by lead poisoning is too small to worry about. As such the cost of replacing the lead pipes was seen as a complete waste of money. These people would also want to see an independent body providing this evidence and not SW. Suggestions included the NHS or central Government.	3.0	3.0	3.0
				The health risks for young children and pregnant women are the key motivators to stimulate a response from the wider population.	3.0	3.0	3.0
				While many perceive that SW dosing the water as a positive (accepting this at face value), there are also a significant minority who do not like the idea of any additives being used (at all). These people are anti/fear the idea of additives being used. A number of customers erroneously	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				mention the addition of 'fluoride' as part of the treatment process, which has not in fact been added to water.			
				Different segments of customers consider the challenges differently: - Pre-family: Surprised lead is still present. Little knowledge of pipework responsibility. - Family: Surprised lead is still present. As a group, these customers are more horrified about the possible health side effect of lead for their children. Little knowledge of pipework responsibility. - Empty Nester: Some more likely to believe lead was eradicated in the 1960's or 1970's. A small minority not convinced of the need to remove or the medical evidence with regards to lead. Little knowledge of pipework responsibility. - BAME/vulnerable: Surprised lead is still present. Little knowledge of pipework responsibility. - State Pensioner: Some more likely to believe lead was eradicated in the 1960's or 1970's. A small minority not convinced of the need to remove or the medical evidence with regards to lead. Little knowledge of pipework responsibility. - SMEs: Surprised lead is still present. Believe they have a duty to protect staff and customers from the effects of lead.	3.0	3.0	3.0
				Most customers see SW's main role as being to advertise/communicate about lead pipes and the associated health risks. In addition to this, SW is to supervise the work and to source contractors – customers want an approved list of contractors/plumbers. There is also an expectation that SW will sign off the work to say it has been completed to the required standard.	3.0	3.0	3.0
				The unanimous response from plumbers is that lead pipes should be removed at the earliest opportunity. There are three key reasons: - Health hazard i.e. lead poisoning, especially dangerous to children and babies (although plumbers are hazy on the details). - Lead pipes have come to the end of their life and are prone to leaks and low pressure.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- If they repair the leak, the chances are that the pipe is weak and will leak somewhere else within a short period of time. - They tend to fill up with silt.			
				When customers were probed at a spontaneous level as to what would prevent them from acting if they found they had lead pipes; there are three key factors: 1. (The general lack of knowledge about lead being present). 2. The cost of getting the work done. 3. The upheaval as a result of the work and how long the work might take	3.0	3.0	3.0
				Customers assume that SW is doing 'something' to mitigate the effect of lead in the water. However, they are distinctly 'hazy' on what that 'something' might be. In the main, where 'something' was mentioned, it tended to be replacing any lead pipes/water mains that were still present. Only one person from the seven workshops mentioned that SW dose the water to counteract the effects of lead; having previously worked as a plumber.	3.0	3.0	3.0
				Respondents in the workshops were split on whether legislation should be used to enforce the removal of lead. There is a larger group who do not believe that the removal of lead will happen without the use of legislation to back it up. On the flip side, there is a smaller group who believe that legislation should not be used and that it should be left up to the individual to decide.	3.0	3.0	3.0
				Customers expect that SW will replace any lead still found to be present in the water mains and in the communication pipe.	3.0	3.0	3.0
				Their final role is to create a database of all properties and areas with lead present and to create a lead-free register for all properties that have had work done, or where no lead was found to be present.	3.0	3.0	3.0

5.4 Water Continuity

This section covers water supply, water pressure and leakage.

5.4.1 What is the Perceived Impact of an Interruption to Supply?

Key Insight:

The impact of an interruption to the water supply varies depending on the individual circumstances of the customers, and the duration of the interruption.

Household customers' immediate concerns are around not being able to drink, cook, shower or use the toilet. Individual factors can increase impact, such as timing (i.e. mornings whilst getting ready for the day), whether there is access to bottled water, and whether there are children in the household. The majority of households would find it very difficult to cope without water for long periods, affecting customers routines and wellbeing, and potentially incurring financial costs. Vulnerable customers are less able to cope, particularly if larger geographical areas are affected.

The impact on business customers varies according to their water dependency. Some businesses may have to close in the event of an interruption to the water supply, and other who are less reliant on water can still experience disruption and difficulty. Interim solutions such as bottled water may not be sufficient to enable some businesses to continue trading.

References:

10 sources have been reviewed, resulting in 53 insights, with overall scores between 2.4 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 8 sources, engaging more than 5,000 customers.

Table 12 *What is the perceived impact of an interruption to supply?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	The small minority who had experienced an interruption to water supply suggested that interruptions tended to be brief, and they often had warning prior to them happening. Some reported they were provided with bottled water during periods of disruption. Experiences with Scottish Water staff tended to be positive.	3.0	3.0	3.0
				Interruptions to water supply would have immediate and significant impacts on business operations, affecting everything from basic hygiene and drinking needs to overall business continuity and reliability.	3.0	3.0	3.0
				Indeed, business size was a more important factor than reliance on water. SMEs find it harder to cope without water whereas larger businesses are more likely to have multiple sites to switch between in an emergency.	3.0	3.0	3.0
				Respondents from businesses had broadly similar perceptions to household customers. However, those reliant on water for their operations had slightly different views. The business climate is challenging at present, so owners need to stay open to make ends meet. Any interruption to supply can have severe consequences for those reliant on water (e.g. a hotelier, a hairdressing salon) – for example cancellations, and lost customers. For those businesses which are less reliant on water, an interruption to supply can still cause disruption and difficulty. All would want interruptions to be minimised therefore.	3.0	3.0	3.0
				In comparison to household customers, businesses thought flooding from sewers and water supply were more important	3.0	3.0	3.0
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	73	What people understood by interruption to water supply? Main concerns were not having any water and being unable to drink, cook, shower or flush the toilet	2.8	3.0	2.9
				Whilst this service issue [interruptions to supply] is always perceived as urgent there are individual factors which can make attendance more or less urgent. - weekday morning (getting ready for work/school) - no access to bottled water	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- children in household - 1+ properties affected			
				Businesses [about interruptions to supply]: Those who are heavily reliant on water rated this high priority due to the impact on their ability to trade. Interim solutions e.g., bottled water are not always sufficient. Businesses have higher expectations than household customers as they feel they have more to lose.	2.8	3.0	2.9
Community and Environment Impact [SW019]	Jun-23	Quant	2458	The most impactful scenarios [on a community/environment] for households were: - Sewer flooding on a road - High-pressure water pipe burst - Water supply interruptions - Pollution and bad/poor status of rivers used for leisure and recreation	3.0	3.0	3.0
				The most impactful scenarios [on a community/environment] for businesses were: - Bad/poor status/pollution of rivers used for leisure and recreation* - High-pressure water pipe burst - Sewer flooding on a road - Water supply interruptions	3.0	3.0	3.0
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Those businesses dependent on water supply & quality need a resilient service.	2.8	3.0	2.9
				[Non-household customers classified as high water dependence - The whole business is reliant on the supply / quality of water to operate] - Supply and quality are important from a health and safety perspective as well as for the business's reputation. For example, hairdressers can't use "brown" peat-stained water for washing hair, if they were to do so it would damage their reputation and customer relationships.	2.8	3.0	2.9
				[Non-household customers classified as medium water dependence - Machinery is reliant on water supply to operate, although usage is quite low] - The supply of water is more important than its quality.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Employees need drinking water, washing facilities and toilets, there is no customer usage.			
				[Non-household customers classified as low water dependence - Water is not essential for running the business and they can operate with an interrupted supply] - They are able to find alternatives that would cover their needs e.g., working from home, using neighbour's toilet, or getting bottled water. - Employees need drinking water, washing facilities and toilets, but only if/when in the office and there is limited customer usage.	2.8	3.0	2.9
				Business Customers [in relation to water supply resilience] - This is critical for those reliant on water for their day-to-day operations. They expect Scottish Water to manage this in an appropriate way to limit the impact on them. Business owners want to be kept up to date if planned outages are happening, so they can manage the situation.	2.8	3.0	2.9
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	Longer interruptions had higher impact scores than shorter interruptions.	3.0	3.0	3.0
				A 3-6 hour interruption to supply, was considered to have a higher impact in the case of non-households than in the case of households	3.0	3.0	3.0
				As anticipated, the perceived impact of a temporary interruption of water supply depended heavily on the duration of the disruption. An interruption lasting between 24 and 78 hours entailed a more than 30% stronger impact than an interruption lasting between 12 hours and 24 hours.	3.0	3.0	3.0
				Values for households are consistently higher than for non-households, which indicates that the benchmark “unexpected interruption of water supply (3h-6h)” has greater significance for non-households in comparison to all other water service attributes. This is also evidenced by the fact that all three levels of unexpected interruptions rank higher for non-households (1st, 2nd and 4th position from the top for “24h-72h”, “12h-24h” and “3h-6h” interruptions, respectively) than for households (2nd, 3rd and 8th position from the top).	3.0	3.0	3.0
SR21 Customer Engagement (Business Customers) [SW012]	Jan-17	Qual	14	Scenarios least able to cope with (1-5): 4. Short term interruption: No water for 24hrs. 1 business could easily cope.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR21 Customer Engagement (Household Customers) [SW013]	Jan-17	Qual	54	Scenarios least able to cope with (1-5): 4. Long term interruption: You and your community have no available water for 10 days	3.0	3.0	3.0
				Scenarios most able to cope with (1-6): 1. No water for 3-6 hours: Easiest to cope with due to low impact. Many could cope with up to 14 days with no water	3.0	3.0	3.0
Understanding Views on Resilience [SW001]	Aug-16	Qual & Quant	c.1350	Customer actions regarding interruptions to supply: - Speak to neighbours/check if they are affected - Contact Scottish Water and/or council for information - Make a plan alone or with neighbours - Buy bottled water	3.0	3.0	3.0
				[Household] Concerns in the event of an interruption tended to be practical: Response to 'what would cause you the greatest concern during an interruption? - 37% Toilet facilities - 31% Washing - 25% Drinking water	3.0	3.0	3.0
				Key [non-household] Concerns In Event Of A Water Interruption: Sanitation is the main concern -around 1 in 3 might close their doors in an interruption event. Key concerns in event of water interruption for 2 days: - 43% Unable to use toilets - 35% Need water to operate the business - 21% Hygiene / sanitation	3.0	3.0	3.0
				Vulnerable customers are less able to cope [during an interruption]-they may find it easier to travel out with an affected area.	3.0	3.0	3.0
				A 48 hour interruption would mean changing daily routines, visiting friends/family in unaffected areas and incurring extra costs (78% likely)	3.0	3.0	3.0
				Reactions to Scenarios of interruption, quality or surface water event:	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Interruption events were seen as serious, especially beyond 48 hours or affecting a large area with severe knock-on effects			
				COPING WITH A WATER INTERRUPTION [NHH]: DURATION On prompting, 3 in 5 say they would have difficulty coping with a 48 hour interruption - 30% Extremely difficult to cope - 9% very difficult to cope - 19% quite difficult to cope - 16 quite easy to cope - 18% very easy to cope - 8% Extremely easy to cope	3.0	3.0	3.0
				Coping With A Water Interruption, 48 hours [HH]: - The majority would find it difficult to cope without water for 48 hours: - 11% Extremely difficult to cope - 17% very difficult to cope - 15% quite difficult to cope - 2% very easy to cope - 3% Extremely easy to cope	3.0	3.0	3.0
				Domestic Resilience: Key differences by subgroups - After considering the issues any interruption, quality or surface water event lasting 2-3 days would be perceived as a "severe event" affecting people's routines and well being	3.0	3.0	3.0
				Rural participants thought they would have more resilience; they were more likely to have experienced e.g. adverse weather events requiring the community to pull together.	3.0	3.0	3.0
				As the duration of an interruption increases, the percentage of customers able to cope decreases - Duration is the key factor influencing ability to cope	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				There is little variance between those living in city centres and those in other urban areas [in how well they could cope during an interruption]	3.0	3.0	3.0
				Other background factors, such as rural/urban location, or vulnerability of customers, appear to be more influential [in how well they could cope during an interruption]	3.0	3.0	3.0
				Those with prior experience of an ITS have a coping limit with a much smaller radius than customers with no prior experience [in how well they could cope during an interruption]	3.0	3.0	3.0
				The most vulnerable customer would be a vulnerable person living in an urban area, of lower SEG and without a car [in how well they could cope during an interruption]	3.0	3.0	3.0
				Many [businesses] would have to cease trading in the event of an interruption, quality or surface water scenario –with clear financial impact	3.0	3.0	3.0
				Water Interruptions vary in impact: Businesses dependent on water would be most affected –most have limited contingency to continue operating	3.0	3.0	3.0
				Water Interruptions: The first instinct is to keep the business operating -by day 3, formal support and solutions are expected	3.0	3.0	3.0
				Reactions to Scenarios of interruption, quality or surface water event: - Businesses dependent on water (e.g. clothing manufacturer) would be most affected –most have limited contingency and think they could operate for 24 hours. Even those with low dependence on water think they could only operate for around 72 hours	3.0	3.0	3.0
				Asked spontaneously, the majority think they [business] could not cope with an interruption up to a mile in radius.	3.0	3.0	3.0
				Half of business respondents claimed that water was fundamental to the goods/services they produce	3.0	3.0	3.0
				48 hours is a key tipping point for both domestic and business resilience [to an interruption]	3.0	3.0	3.0

5.4.2 What are Customer Expectations of Scottish Water Regarding Water Continuity?

Key Insight:

Overall, most customers consider Scottish Water to be currently performing well in delivering a reliable and consistent water supply. It is viewed as a fundamental function of Scottish Water. Customers are unlikely to have considered the risks to water continuity presented by the three Long-Term challenges, especially given the perceived abundance of water in Scotland. When informed, they feel Scottish Water should take action to safeguard reliability.

References:

17 sources have been reviewed, resulting in 54 insights, with overall scores between 2.1 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 9 sources, engaging more than 2,000 customers.

Table 13 What are customer expectations of Scottish Water regarding water continuity?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	The perceived abundance of water came through with words such as 'Unlimited', 'Plentiful', 'Available', and 'Abundant'. Water was also described as 'Precious', and a 'Resource' that should be treated like other valuable commodities. Relatedly, there was also some mention of water charges in Scotland, with participants saying that water was 'Unmetered', 'Good value', 'Cheap' (and 'Free' from the perspective of students who lived with other students).	3.0	3.0	3.0
				Generally, participants did not know a great deal about their water supply. They said that they rarely had to think about it because it was "always there"	3.0	3.0	3.0
				Scottish Water's rapid response to addressing customers' supply issues stood out to participants (the presentation stated that in most cases supplies were restored within 12 hours). They were impressed by Scottish Water's commitment to restoring water supplies quickly in case of	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				disruptions, with some participants contrasting this positively with the longer outages they had heard about, or personally experienced, in England			
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	It is accepted that changes in climate and population are challenges that are or will have an impact on the availability of drinking water in some areas, and customers recognise that highly populated areas could suffer in future due to increased demand for water. ■ There is less scepticism than in the previous stage about the likelihood of drought in Scotland, but customers still question the expected frequency of these issues in relation to the potential spend. ■ Joining up the existing network makes sense to customers if it is genuinely cheaper and as effective as building reservoirs. Though there were some questions as to how water will be stored in the areas it is moved to. ■ There is some concern around the potential disruption and impact on the environment of the work needed to join up areas of the network, and the reassurance that this will only happen when it is sustainable for the areas that the water is taken from is welcomed. ■ The graphic showing the potential picture in 2050 without adaptation was shocking for most customers in terms of the potential number of areas that could be short of water in the future, and this helped to move the issues around supply and demand of drinking water higher up in some customers' priorities. ■ Some of those living in areas where there has been heavy rainfall asked what kind of support there would be for those areas experiencing flooding due to changes in the weather. ■ As with the previous research customers in various groups discussed the importance of education around more careful use of water and suggested that Scottish Water needs to support homes and businesses with water saving tips and equipment.	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	Five key association themes emerged from both household and business customers - Environmental Attitudes and Behaviours While there were no climate change deniers among participants, there was a general belief that Scotland's abundance of rainfall would protect the country from the risks of drought. Many were surprised to learn that	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				some areas in Scotland could be more vulnerable to drought than others. This indicates a knowledge gap around regional water scarcity issues, despite the overall perception of Scotland as a water-rich country.			
				The younger generation in both [intergenerational] families showed less concern about water as an immediate issue. Water was something they took for granted, often perceived as a basic service that didn't warrant much attention in their daily lives. However, as the discussion evolved, there was a growing recognition of the need for investment to ensure future stability. They understood that while water might not be a priority now, it would become more critical as they started their own families or faced future challenges.	3.0	3.0	3.0
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	The vast majority of customers had never experienced any issues with their drinking water supply. When they need water, they turn on the tap.	3.0	3.0	3.0
				Scotland is not known to be a dry country, so some respondents were sceptical about the need for adaptation to be able to supply water in periods of dry weather. Some customers felt that Scottish Water could think about other ways to store water beyond reservoirs e.g. storage closer to urban areas.	3.0	3.0	3.0
				In comparison to household customers, businesses thought flooding from sewers and water supply were more important. Some of the sample had indirect experience of sewer flooding which made it more of a priority for them.	3.0	3.0	3.0
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	73	SW's role in interruptions to water supply: Expect Scottish Water to reliably supply water so expect them to attend to and resolve the issue ASAP. Some awareness of Scottish Water providing bottled water to customers, but experience was inconsistent	2.8	3.0	2.9
				Timescale expectations for interruptions to water supply: Urgent (4-6 hours): Customers perceive this as urgent but would prioritise issues with a higher risk to health and safety above this one. They would expect someone to attend to the issue within the same day after reporting it. However, if an interim solution is provided e.g., bottled water, customers are happy to wait for resolution as long as the reason for the wait is communicated. Customers could not think of any non-urgent examples of this service issue.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				SW timescales: 2 hours (urgent) / 2 hours (non urgent)			
				Whilst this service issue [interruptions to supply] is always perceived as urgent there are individual factors which can make attendance more or less urgent. - weekday morning (getting ready for work/school) - no access to bottled water - children in household - 1+ properties affected	2.8	3.0	2.9
				Businesses [about interruptions to supply]: Those who are heavily reliant on water rated this high priority due to the impact on their ability to trade. Interim solutions e.g., bottled water are not always sufficient. Businesses have higher expectations than household customers as they feel they have more to lose.	2.8	3.0	2.9
Strategic Plan Research [SW021]	Aug-23	Qual	66	All customers agreed that investment in delivering a consistently excellent water supply was important. This was an area that customers considered Scottish Water to already be performing well at, with many being very pleased with the quality of water they supplied with. NHHs especially commented that the quality of water is much higher than in ‘the south’, i.e., England. Investment, therefore, is needed to ensure the quality remains high, and they were happy with the ambition to further increase its reliability and quality.	2.8	3.0	2.9
				When asked about how the challenges shown would impact Scottish Water’s ability to deliver against this objective [delivering consistently excellent water supply], customers felt more unreliable weather could certainly have an impact. They also wondered whether an increasing population, resulting in increased water demand, could impact the amount of water in reservoirs, which in turn could lead to a less reliable supply in the future, so this is something Scottish Water needs to keep on top of.	2.8	3.0	2.9
				[Enhancing the natural environment] The key challenge was identified as population growth. If Scottish Water does go ahead and do the work it wants to, then customers would need assurance that their water supply would not be impacted and that the quality would remain high. Increased regulatory standards were also mentioned, with customers thinking these	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				standards might become even more difficult to meet if water is taken from alternative sources to what it is now.			
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Core Business Functions- They impact the majority of customers & must be delivered with excellence to ensure expected service levels are met. The investment areas included in this category are: o Water Quality o Asset Maintenance o Water Supply resilience	2.8	3.0	2.9
				Importance of water supply resilience – This is important, with two caveats: - Relevance: Scotland is a wet country and people don't associate droughts with Scotland. People think of lochs and reservoirs and assume it is not an issue for Scotland due to the perceived abundance of water. - A symptom, not the cause: This is perceived as related to climate change, they think we should address climate change to address resilience. - Most had never experienced a large-scale water pipe burst and assumed it was a rare event which could be corrected easily. Those living rurally were more likely to have had direct experience of the issue and therefore see it as important.	2.8	3.0	2.9
				There is also an assumption that water shortages don't affect Scotland	2.8	3.0	2.9
				What is Scottish Water's role in water supply resilience? – Scottish Water should be involved; they control some parts, but not all the problem is in their area of expertise	2.8	3.0	2.9
				Business Customers [in relation to water supply resilience] - This is critical for those reliant on water for their day-to-day operations. They expect Scottish Water to manage this in an appropriate way to limit the impact on them. Business owners want to be kept up to date if planned outages are happening, so they can manage the situation.	2.8	3.0	2.9
				Areas valued in Scottish Water:	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Reliable water supply - Consistently of high quality, easily accessible, available for all. You can trust it's safe to drink - Customer service - For those who have experienced it, Scottish Water's customer service has been a positive experience.			
Future Strategy [SW008]	Oct-19	Qual	121	Which areas are the most important for Scottish Water to invest in over the next 25 years? - 30% Reliable service - 28% Making things last - 27% Climate Change - 18% Tackling Climate Change - 9% Protecting water services against the impact of climate change - 10% Innovative approaches - 5% Enhancing the natural environment	2.8	3.0	2.9
				Reliable service was viewed as providing both immediate and long-term benefits for all, and as essential for a decent quality of life.	2.8	3.0	2.9
				Reliable service was felt to be a high priority because it was viewed as the fundamental function of Scottish Water and as having a direct impact on people's quality of life.	2.8	3.0	2.9
				As with domestic customers, businesses felt that reliable service was a fundamental and core aspect of Scottish Water's role. Businesses reiterated their reliance on water supply and wastewater services and said that if Scottish Water did not focus on reliable service provision, it would not be fulfilling its core role and purpose.	2.8	3.0	2.9
				Option A: Scottish Water could fix things as and when they fail. This could cost less money initially but could mean there would be more risk of problems with people's water supply and wastewater service when things fail. Option B: Scottish Water could identify in advance when infrastructure is likely fail, and work to fix or replace it before it fails. This could cost more money initially, but could mean there would be less risk of problems developing with people's water supply and wastewater service over time.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Customers also considered the level of likely disruption associated with each approach. Option A was seen as potentially creating fewer interruptions to supplies than Option B.			
				Customers' overwhelming perception was that Scottish Water was doing a good job and should therefore 'keep up the good work' in each of the key areas of - interruptions to supply	2.8	3.0	2.9
				In relation to leakages and interruptions to supply, customers again responded positively to the description of Scottish Water's role in these areas. In the event of a short-term interruption to their supply (less than 12 hours) customers' expectations were that Scottish Water would communicate to them about the issue, make them aware of how long the interruption was likely to last, and send someone to resolve the issue. Where the interruption was longer-term (more than 12 hours), the additional expectation was that Scottish Water would provide bottled water for drinking. The need for alternative water supplies were seen as particularly important for customers in vulnerable circumstances, including the elderly or those with young children, who may be less able to source alternative supplies themselves.	2.8	3.0	2.9
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	For non-households that were given 30 seconds to name up to three things that Scottish Water should concentrate on in the future, the main things mentioned were: - Water quality - taste, smell etc (26%) - Safe, clean drinking water - fresh, pure etc (23%) - Supply reliability (18%)	3.0	3.0	3.0

5.4.3 What are Customer Perceptions of Low Pressure?

Key Insight:

Overall, customer satisfaction with water pressure is generally high. However, customers are not aware of the technical definition of low pressure, and instead use language around taking showers, the strength of flow, or time taken to fill washing machines and kettles. Some customers have experienced variable pressure throughout the day and have made the connection to peak usage times. Whilst some customers accept this, others feel a degree of annoyance. Short-term pressure issues can cause confusion and anger, but customers affected by long term issues can feel frustrated, with many adapting their homes lives to accommodate the issue. Customers may not notice that they have pressure issues unless they are prompted to check for themselves or are told by a plumber to contact Scottish Water.

Business customers may be more affected by poor pressure than household customers. Some require their buildings being able to accommodate multiple staff using taps and using toilets, and others are concerned by the potential health and safety risk of scalding from improperly functioning boilers. Some businesses rely on consistent water pressure to operate machinery.

References:

5 sources have been reviewed, resulting in 42 insights, with overall scores between 2.7 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 4 sources, engaging more than 1,500 customers.

Table 14 What are customer perceptions of low pressure?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	73	What people understood by change in water pressure? Customers assume they are still able to access water, but the speed of flow will be impacted	2.8	3.0	2.9
				Businesses [about changes in water pressure]: Urgency depends on their reliance on water and what water is used for. Those who rely on consistent water pressure to operate machinery would class this as high priority	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Low Pressure Deep Dive [SW005]	Feb-18	Qual	c.74	Low pressure did not appear to be an issue spontaneously; respondents felt that it was in the appropriate group. It was not thought to be a widescale problem and although there were some household customers and SMEs for whom it was a problem from time to time, customers did not feel it warranted being placed in the medium or high priority area.	2.8	3.0	2.9
				The majority of customers were happy with their water pressure. They described it as 'average', 'fine', 'normal' or 'good'. They were unable to define water pressure or low water pressure clearly, but they were happy with how long it took to run a bath or fill a sink	2.8	3.0	2.9
				There were quite a few customers in this research who had low-pressure issues themselves. Often, they did not realise that they had low pressure until they started discussing and comparing their water pressure to others in the group or watching the film. They probably would not describe it as low pressure. Generally, it was thought to be acceptable to live like this.	2.8	3.0	2.9
				A minority of customers found their low pressure 'annoying and frustrating' having at least experienced this at some point in their lives. Typically, customers find out about their low pressure via their plumber who tells them to phone Scottish Water.	2.8	3.0	2.9
				Often empty-nesters and retired/pensioners were more prepared to put up with or 'work around' low pressure. This was largely because they did not have to compete with the rest of the family for hot water and the retired were not in a hurry to leave the house for work in the morning. They could have showers and baths out of peak times. Also, often they felt that their heating system was better now that what they had been used to growing up or in the past and so they did not feel the need to complain. However, young families and pre-family were less accommodating; time was short, and they found waiting for cisterns to fill frustrating. They liked to use multiple appliances as it saved time.	2.8	3.0	2.9
				Significantly, these 'work around it' customers have nothing to compare their water pressure to, and they have got used to it often over many years.	2.8	3.0	2.9
				Business customers are less able to 'live around it' or 'put up with it'. For example, in an office setting it is difficult if there are a number of staff and the toilets are not flushing properly, or the pressure is so low they 'can't	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				make a cup of tea'. In some cases, if water pressure so bad and can't be improved, the business has to consider whether to stay in the building.			
				Some had experienced such low pressure that their businesses could not function. There were also examples of householders whose pressure had caused their combi boiler to stop working. A small number of business owners had lost staff because the facilities were not up to the standards they expect, and staff had left. For owners of hotels, low water pressure can cause scalding and thus they would be open to poor consumer reviews on Trip Advisor or Booking.com, or in the worst-case scenario law suits.	2.8	3.0	2.9
				However, many customers understand and appreciate the situation [low water pressure]. They make an analogy with computers and broadband - if there is more demand, then it will be slower.	2.8	3.0	2.9
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	Respondents were asked about problems experienced for the household sample. The most prevalent were - Discoloured water (23%), - Low water pressure (18%) - Interruptions to water supply (18%). - Although low water pressure was prevalent in the thoughts of those interviewed, SW noted that it involves significantly fewer contacts and number of affected properties (with pressure permanently below the minimum standards) than discoloured water and supply interruptions. This suggests that participants may have had a different idea of what constitutes low pressure than the definitions used by Scottish Water.	3.0	3.0	3.0
				The manufacturing and construction sector reported a significantly higher incidence of lower water pressure in the past year than did the financial and professional services sector (22% vs 7%).	3.0	3.0	3.0
				The Impact score of permanent low pressure was higher than that for reoccurring low water pressure, as expected.	3.0	3.0	3.0
Deep Dive on Low Water Pressure [SW015]	May-17	Qual	16	Experiencing low water pressure is frustrating; those who have long-term issues often begrudgingly come to accept their situation and adapt their home life accordingly.	2.5	3.0	2.8
				Overall, those affected feel frustrated and annoyed [with low pressure]	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- They are paying for a service which some feel they not getting –some feel 'let down', especially in the light of there being no alternative provider - At best, it's inconvenient; at worst it's highly impactful - The risk of further issues makes people feel worried - Those who experience long term effects experience annoyance; those hit by short-term issues can be confused and angry			
				Short-term issues [of low pressure] can cause greater disruption - As people may not be used to experiencing low pressure, they are less sure whether that is the issue and if it is affecting the wider area or, more worryingly, just their home - There is less clarity over who to contact which leads to confusion and frustration - Impact on daily routine e.g. showering, drinking water, cooking, are unexpected and can cause havoc i.e. having to find somebody else's shower to use, going out to by bottled water etc. - Many worry how long it may last	2.5	3.0	2.8
				Long-term issues [of low pressure] mean those affected are more prepared - There is a greater sense of acceptance amongst those who have 'learnt to live with it'; they are more likely to understand the cause and how long it will take to fix - Reactions are less angry, but frustration is deeply ingrained - Many have made every day changes e.g. showering earlier, keeping bottled water, installing a filter tap, having SW on speed dial	2.5	3.0	2.8
				Low pressure can be a mild annoyance with no or just small adjustments needed e.g. timings of showers and only using one tap at a time. However, when pressure is so low that appliances don't work, routines can be severely affected.	2.5	3.0	2.8
				Overall satisfaction with water pressure satisfaction remains high; those who did contact Scottish Water tend to be more satisfied	2.5	3.0	2.8
				Respondents use a range of language to describe low pressure, often describing it as a 'trickle' or 'dribble' with little 'power' behind it	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Some are unsure what causes low pressure before they contact SW or a plumber; assumptions include a broken pipe, leak or SW 'turning it down'. At first, some suspect that their appliance has broken	2.5	3.0	2.8
				Most [customers] did not know that water pressure depends on the height of their home in relation to the service reservoir or water tower –they questioned how they would know the height of their home / location of the supply, and what they could do about it, leading a few to feel frustrated towards SW	2.5	3.0	2.8
				Some [customers] know it's associated with the location of their property – A few were aware that pressure was related to how close they live to a pump, as SW had told them that they were at the end of the supply chain, but this was only if they had contacted SW about previous issues	2.5	3.0	2.8
				A few [customers] have noticed that peak flow affects their supply –some experience reduced pressure at different times of the day, most of whom have made the connection to others using the supply; some accept this whilst others feel some degree of annoyance towards the disruption	2.5	3.0	2.8
				For most, reasonable pressure is simply a 'constant flow' particularly amongst those who are fed up with their intermittent supply; many give tangible examples such as 'able to fill a washing machine', 'not needing to turn the tap to 90%', 'able to have a shower', 'fill the kettle in reasonable time'	2.5	3.0	2.8

5.4.4 What are Customer Expectations of Scottish Water Dealing with Low Pressure?

Key Insight:

Customers are unwilling to put up with low water pressure, not wanting to wait for slow water coming through from taps, and expecting to be able to use multiple appliances freely. Most customers think that Scottish Water should be able to manage peak flow, in the same way as electricity or broadband companies do.

Some customers are unaware that Scottish Water is responsible for water pressure, and it is unclear to most customers where Scottish Water's responsibilities begin and end. When considering the issue, there is interest in more information to help customers understand how to assess water pressure (i.e. time taken to fill a kettle), and how to diagnose the cause of pressure issues.

References:

7 sources have been reviewed, resulting in 31 insights, with overall scores between 2.0 and 2.9. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 2.9. These are derived from 4 sources, engaging 175 customers.

Table 15 What are customer expectations of Scottish Water dealing with low pressure?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	73	SW's role in water pressure: Customers expect the issue to be investigated and to be provided with updates as they expect it to be a longer resolution so want to be kept in the loop	2.8	3.0	2.9
				Timescale expectations for [SW response to} changes in water pressure: Urgent (4-6 hours): Customers claim it acceptable to experience low or varying water pressure for a few days. Less urgent (up to a week): Most would be willing to go a few days or even a week with low pressure providing they still have access to water and there are no vulnerable people/ children in the household SW timescale: 1 day (urgent) / 3 days (non urgent)	2.8	3.0	2.9
				Businesses [about changes in water pressure]: Urgency depends on their reliance on water and what water is used for. Those who rely on consistent water pressure to operate machinery would class this as high priority	2.8	3.0	2.9
				Customers are willing to cope with low pressure if they have access to water, but it is seen as an inconvenience.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Circumstances that impact urgency: - Extreme low pressure - Vulnerable customers in the household -Businesses relying on consistent water supply - Impacts boiler (+ heating during winter) - If it indicates a burst/leak			
Low Pressure Deep Dive [SW005]	Feb-18	Qual	c.74	Often empty-nesters and retired/pensioners were more prepared to put up with or 'work around' low pressure. This was largely because they did not have to compete with the rest of the family for hot water and the retired were not in a hurry to leave the house for work in the morning. They could have showers and baths out of peak times. Also, often they felt that their heating system was better now that what they had been used to growing up or in the past and so they did not feel the need to complain. However, young families and pre-family were less accommodating; time was short, and they found waiting for cisterns to fill frustrating. They liked to use multiple appliances as it saved time.	2.8	3.0	2.9
				It was felt that people were generally time-poor and thus could not wait for a bath or cistern to fill. Many customers want and need to run several appliances at once and believe they do not have time to wait for slow water to come through a tap or to use the washing machine separately from the shower or dishwasher.	2.8	3.0	2.9
				Customers argued that living standards had improved and thus it was unacceptable to put up with low water pressure nowadays. People expected to be able to shower and to turn the taps on and both to run freely.	2.8	3.0	2.9
				When customers approach Scottish Water about their low pressure and are told that there is a 'domino effect' if many appliances are used at once, they feel that it is 'an excuse' or their 'get out clause'.	2.8	3.0	2.9
				There was widespread interest in more information to educate customers about low pressure. For example; is the water pressure issues to do with the pressure coming into their homes? Is it because of	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				an old boiler or faulty plumbing? How long should it take to fill my bath/kettle/cistern?			
				Customers wanted to have some literature through their door that explained what is being done to upgrade the infrastructure in relation to water pressure, where it is being done, and what are the benefits.	2.8	3.0	2.9
				If awareness is raised about low pressure, there was a sense it could be expensive for Scottish Water and their customers if the costs are passed on to them.	2.8	3.0	2.9
				Little appetite was expressed for new technology that allows customers to have control of the water pressure.	2.8	3.0	2.9
				It would be reassuring for customers to know that Scottish Water are not attempting to improve the whole network at once but rather adjusting small amounts of the network at a time using smart technology where possible to manage the flow.	2.8	3.0	2.9
Licensed Provider Perceptions Of Customer Priorities [SW004]	Nov-17	Qual	12	This area [low water pressure] created some polarisation amongst LP's and was an area that many LP's (not all) believed priority ranking may have been influenced by the domestic customer. Perceptions of ranking were dependent upon the location and type of businesses and how low pressure would affect them. There was widespread recognition that overall, there isn't too much of a problem, although there are pockets of issues. There is also awareness that currently SW are providing above the legal requirement (1 bar) but if that was lowered, businesses who are highly dependent upon water would be impacted upon. For this reason, many would put low pressure higher up into medium ranking.	2.5	3.0	2.8
Deep Dive on Low Water Pressure [SW015]	May-17	Qual	16	Low pressure can be a mild annoyance with no or just small adjustments needed e.g. timings of showers and only using one tap at a time. However, when pressure is so low that appliances don't work, routines can be severely affected.	2.5	3.0	2.8
				Most think Scottish Water should manage peak flow –not all are aware that water pressure can vary due to demand; when educated, many think Scottish Water should manage this, like how electricity or broadband companies do. They expect SW to engage with property developers and to utilise modern technology, to avoid issues	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Some are unaware that SW are responsible for low water pressure; others assume they are as they supply the water. It is unclear where SW's responsibilities begin and end for most	2.5	3.0	2.8
				Scottish Water should ensure communication is up to date and proactive as soon as a problem occurs, during the problem, and once it has been resolved	2.5	3.0	2.8

5.4.5 What are Customer Expectations of Scottish Water Regarding Leakage?

Key Insight:

Customers are generally unaware of current leakage levels. Customers can be shocked to learn about leakage levels. Although they are also pleased to learn about Scottish Water's improvements in this area, they can feel that not enough progress has been made and seek further reduction. Leakage can be an emotive topic, with many customers feeling that it is a moral issue. Whilst some customers accept economic arguments around the acceptable level of leakage, others feel that leakage should be reduced even if the cost of repair is more than the value of the water lost. Customers make strong connections between leakage and the risks to water resilience and supply posed by the three Long-Terms challenges. They often feel that addressing leakage is part of planning for future water scarcity, recognising that the value of water will rise in the future. High levels of leakage are felt by some to potentially undermine Scottish Water's efforts to change customer water use behaviours.

References:

13 sources have been reviewed, resulting in 31 insights, with overall scores between 1.9 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 7 sources, engaging more than 2,500 customers.

Table 16 What are customer expectations of Scottish Water regarding leakage?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	Another memorable part of the presentation for participants was the sheer volume of water that was lost daily in Scotland due to leaks in the water system and waste water networks. However, they were pleased to hear about the steps Scottish Water had been taking to reduce the amount of water lost and the number of leaking water pipes over the past nine years.	3.0	3.0	3.0
				However, some participants thought that Scottish Water is losing too much water to leaks and should work to improve their current level of performance, such as aiming for 100% waste water compliance (currently 96.2%).	3.0	3.0	3.0
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	■ The extent of current leakage explained feels unacceptable to customers, so this choice area is a high priority. ■ Leakage is seen as a waste of money and is felt to be representative of past inefficiencies and a lack of investment. ■ Customers are also concerned about the environmental impact of leakage and the fact that it reduces the amount of drinking water available. ■ The reduction of 20% over the last 10 years, while appreciated, is not seen as sufficiently ambitious. ■ The explanation of leakage levels in terms of swimming pools' worth of water helped participants to understand the extent of the problem and sparked genuine concern about how much water is being lost. ■ The extent of the issue prompted some questions from customers about whether previous spend levels to address leakage have been too low, and how quickly pipes are generally being replaced with newer more robust materials versus repairing problems once they occur. ■ Participants asked how work to address leakage is prioritised and to what extent this is proactive, using sensors etc to find potential problem areas before leakage happens.	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	Participants expressed strong negative views towards leakage, particularly in the context of encouraging customers to reduce water usage while Scottish Water itself was seen as wasting resources through leaks. This contradiction made leakage a sensitive topic, with participants feeling that it undermined Scottish Water's credibility in promoting water conservation.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Leakage was perceived as wasting precious water, especially considering the growing emphasis on sustainability and resource management. The idea of asking customers to conserve water while Scottish Water continues to lose it through leaks was seen as hypocritical. Participants also raised concerns about the cost of producing water and the associated inefficiencies of leaks, which were seen as not only wasting a vital resource but also driving up costs for customers. This added to the negative perception of leakage.	3.0	3.0	3.0
				The webinar's focus on the decline in leakage helped to soften some concerns, with participants acknowledging the progress made. However, many felt that it was not enough simply to maintain current leakage levels. There was a strong desire to see continued reduction in leakage, as this would be viewed as a tangible improvement and a more effective response to the challenges of water conservation.	3.0	3.0	3.0
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	76	What people understood by burst/leak? Some assumed this would affect the pipes within their house and therefore thought a level of personal responsibility was required (e.g., phoning the plumber rather than Scottish Water).	2.8	3.0	2.9
				SW's role in burst/leak: Customers think that Scottish Water will already know about a burst/ leak they see on the street so don't see a need to report it.	2.8	3.0	2.9
				Timescale expectations for bursts/leaks: Urgent (4-6 hours): Customers would expect an immediate response for a large burst or leak. Most identified that even a small burst/ leak should be attended to ASAP, to mitigate damage and avoid it becoming a large-scale issue. Less urgent (2 days): Some could recall seeing small leaks on the street where water had been escaping for several days and assumed that Scottish Water were fixing it. SW timescales: 2 hours (urgent) / 4 hours (less urgent)	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Urgency depends on the scale of the issue[burst/leak] and how it is affecting surrounding properties i.e., low pressure wouldn't be seen as urgent in comparison to interruption to water supply.	2.8	3.0	2.9
				Businesses [about bursts/leaks]: urgency depends on reliance on water and what water is used for. Those who rely on consistent water pressure to operate machinery would class this as high priority.	2.8	3.0	2.9
Wider Environment - SR21 Environmental Priorities [SW006]	May-19	Qual & Quant	1102	When asked specifically about the environment, customers had two main priorities. The second was 'reducing leakage from Scottish Water's pipe network'. and given customers are generally unaware of the current levels of leakage, the rating may have been even higher if customers had received information on leakage before making their choices as this became an emotive topic during the focus groups.	3.0	3.0	3.0
				SMEs did not prioritise investment too differently to domestic customers, however, they placed slightly more importance on reducing leakage from the pipe network than other customers.	3.0	3.0	3.0
				There was more of a pronounced difference, however, when categorising the SMEs by water consumption. Those SMEs that used low amounts of water placed a very high importance on both reducing the amount of microplastics and reducing leakage. While those investment areas were still the most important to SMEs with medium or high consumptions levels, they were relatively less important than for those with low water consumption levels, as their priorities were spread across more areas, including using Scottish Water land to reduce carbon footprint.	3.0	3.0	3.0
				Research participants were asked to consider what Scottish Water could do to enhance the environment instead of just protecting it. They responded with several suggestions, which reflect both local concerns and the themes reviewed in the course of the research. Improvement suggestions related to fresh water: - Maintain pipes to prevent leaks - Encourage recycling of water - Wider use of cistern package to reduce water use	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				When told of the scale of water loss, almost all participants were shocked, although they were pleased to learn that the percentage of loss has been decreasing over recent years.	3.0	3.0	3.0
				Wasting water was widely considered to be a moral issue, and not merely an economic one. Even if the cost of repair is greater than the value of the treated water lost, almost everyone felt leakage should be reduced, by both Scottish Water and property owners.	3.0	3.0	3.0
				Some challenged the economic argument that repairs are not cost effective, saying that over time there would be a break-even point. Others suggested that water is likely to become more valuable in future, due to population increase and the disruption of climate change. Moreover, such vast loss by Scottish Water could undermine efforts to improve customer behaviour, and to charge more for measures to help the environment.	3.0	3.0	3.0
				There were, however, one or two pragmatic voices that accepted that economically leaks might have to be tolerated where there is no environmental damage.	3.0	3.0	3.0
				Participants' response was that customers should use less when water reserves are under strain, and that Scottish Water should plan for dry events, including by addressing leakage.	3.0	3.0	3.0
Licensed Provider Perceptions of Customer Priorities [SW004]	Nov-17	Qual	12	Many LP's were confused as to why only 'visible' leakage is mentioned. Most believe it should simply be leakage. There was disparity between LP's as to which 'side' visible leakage falls into: the network (SW's responsibility) or the end user. This then impacted upon how important some LP's believed this issue to be for customers. For a few, if they believed it referred to the network, there was a feeling that customers wouldn't really care as they weren't overtly paying for it. Equally, for one or two, the cost of the water bill in relation to other customer bills was felt to be minimal (larger organisations / less water dependent). However, for the majority of the remaining LP's, leakage was important and a medium ranking seemed appropriate and logical, whether it referred to leaks on the customer's pipework (a direct cost to the customer's bill) or if it referred to the network which affects water pressure	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	The Impact score of outdoor leaks and water mains bursts was greater when closer to the home, as expected, but overall, the impacts were less than a 3-6 interruption of water supply.	3.0	3.0	3.0

5.5 Water Environment

This section covers river water quality, bathing water quality and pollution. The section also covers bioresources to address relevant research questions.

5.5.1 What is Customer Understanding of Scottish Water Providing Waste Water Services?

Key Insight:

Whilst customers generally have a good awareness of Scottish Water, fewer are able to name Scottish Water as their waste water provider than their water provider, although awareness is rising. Whilst Scottish Water is seen by some customers as providing a silent but essential service, recent media coverage of the wider UK Water industry has increased visibility of the sector as a whole. Customers often have limited knowledge and understanding of waste water processes. When informed of the water cycle, customers acknowledge the importance of waste water services to the environment.

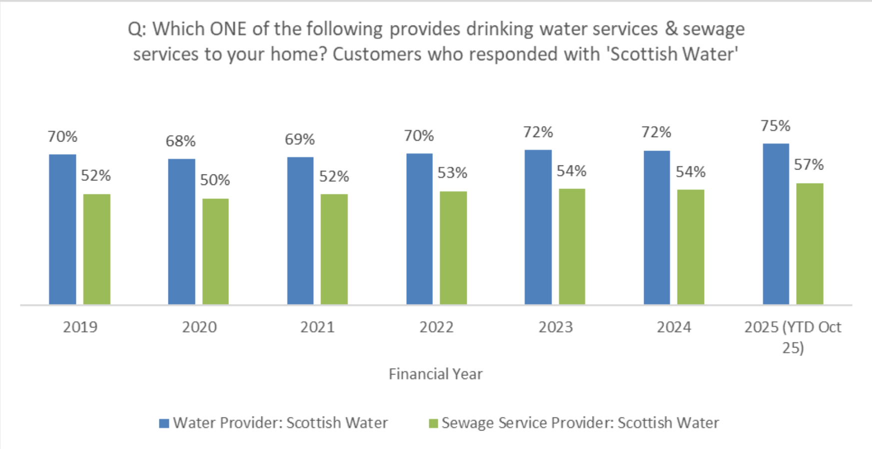
References:

11 sources have been reviewed, resulting in 13 insights, with overall scores between 2.3 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 7 sources, engaging more than 1,000 customers (excluding YouGov Perceptions Survey).

Table 17 What is customer understanding of Scottish Water providing waste water services?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	Participants generally knew that their waste water was sent to a treatment plant, and some participants were aware of having a plant close to them. However, there was uncertainty about the processes by which waste water is treated. Participants were unclear about whether treatment only filters out solids and the extent to which untreated waste water is released into local watercourses. Participants described instances of unpleasant smells and items in local rivers, which they attributed to overflows of sewage from treatment plants. Others mentioned that they thought ageing/Victorian	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				infrastructure was a potential issue for the waste water network, especially in cities			
				Awareness was generally tied to participants' personal experiences. Those who had experienced an issue with the waste water network, such as a blockage, were more knowledgeable about who was ultimately responsible for waste water services. Others noted that they had not previously had to think about waste water, because they had not had any issues	3.0	3.0	3.0
Long Term Investment Planning [SW055]	Oct-24	Quant	1160	36% had heard something positive about Scottish Water in the last 12 months, and only 12% had heard something negative – whereas 62% of customers had heard something negative about the UK water industry. This was largely relating to sewage spills at rivers and beaches concerning particular UK water companies (e.g. Thames and Northumbrian Water).	3.0	3.0	3.0
Long Term Investment Planning Research [SW054]	Oct-24	Qual	c.50	The average customer has little reason to think about their water supply or wastewater removal. This "silent service" happens without them giving it much thought on a day to day basis.	3.0	3.0	3.0
				Most respondents had not considered the topic of water and wastewater in great detail. Media coverage of water companies in the past 12 months has been negative, with a focus on pollution from Combined Sewer Overflows polluting rivers, watercourses and coastal areas. Generally, this coverage has centred on England, making Scottish Water stand out in comparison.	3.0	3.0	3.0
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	Participants had typically not thought about the sewerage system previously, although those who had experienced using a septic tank were familiar with how this worked. Upon learning more from the expert presentations, there was surprise that rainwater goes into the same place as sewage.	2.8	3.0	2.9
Strategic Plan Research [SW021]	Aug-23	Qual	66	There were a few comments that the objective of transforming the waste water service was a little vague, as the information shared didn't go into a lot of detail about how exactly Scottish Water would transform the service, but overall, customers were positive. Customers admitted to having less knowledge about the waste water system but said it should be a key area of focus, especially given how waste water can impact the environment, if not handled correctly.	2.8	3.0	2.9
	Jun-23	Qual	36	Most respondents had not seen any media coverage about CSOs and those who had had usually only seen articles about situations in England. At the	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
CSOs Research [SW020]				time of hearing these articles most respondents had assumed that Scotland was not mentioned because it didn't have CSOs. In the context of the focus groups, concerns about SW emerged when respondents discovered we have CSOs in Scotland. However, most respondents were reassured by the information in the presentation and so by and large it did not impact on trust and satisfaction with SW.			
				Even where people were noting that they had seen things like ear buds, wipes or sanitary products they often did not connect that to the potential for sewage to be in the water. However, in Groups 1-5 there was one respondent who spontaneously mentioned seeing or hearing something in the news recently about sewage going into coastal waters or rivers when we were talking about water quality. This was related to recent coverage in the media about CSO incidents in England. There were also several respondents who lived near a river which they believed was currently affected by sewage being 'leaked' or 'discharged'.	2.5	3.0	2.8
				Only a couple of respondents mentioned that they were aware that in the past sewage was 'pumped out into rivers and beaches'. These respondents tended to believe that now these problems had been resolved or at least occurred much less frequently.	2.5	3.0	2.8
YouGov Perceptions Survey [SW038]	20/21	Quant	c. 500 HH per month		2.8	3.0	2.9

5.5.2 What are Customer Perceptions of the Water Environment in Scotland?

Key Insight:

Customers see Scotland's water environment as one of its greatest assets. They recognise that the condition of rivers and beaches has a Scotland wide economic impact, citing clean beautiful beaches and wildlife as key drivers of tourism. They also recognise the importance of the water environment to communities as places for leisure, drivers of local employment and support of the local ecosystem.

However, customers from urban or semi-rural areas do not tend to give river/coastal water quality much thought unless they have a negative experience whilst visiting a beach. Customers from the North of Scotland or a rural area/island are typically very positive about river/coastal water quality. Some customers are aware of water quality being tested by SEPA and are reassured by this. The vast majority of household customers use Scotland's rivers and beaches for walking and agree that poor water quality would affect everyone. Non-household customers are generally less concerned unless it impacts their business. Customers generally assess the quality of the water environment by looking for litter, discoloured water, and bad smells.

Not all customers will make the connection between waste water activities and the water environment. However, customers are becoming increasingly aware as a result of recent media coverage.

References:

14 sources have been reviewed, resulting in 53 insights, with overall scores between 2.3 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 7 sources, engaging more than 4,000 customers.

Table 18 What are customer perceptions of the water environment in Scotland?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
River Almond - Water Matters [SW059]	Apr-25	Qual	38 HH	Overall, the majority of members who participated in this content series are concerned about the ecological health of rivers in Scotland, their	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				primary concerns relating to pollution & flooding, with the water quality being the most important aspect of river health to them.			
CSOs Research [SW020]	Jun-23	Qual	36	Most respondents from urban or semi-rural areas did not give river/coastal water quality much thought unless they visited a beach or a river where there was a lot of litter or where the water was discoloured. Litter on the beach was commonly seen as an indicator of how clean the water would be – particularly for those who lived in urban areas	2.5	3.0	2.8
				Across all demographics, respondents who lived in the North of Scotland or a rural area/island were typically very positive about river/coastal water quality and tended to perceive it to be better than in more urban areas and the central belt.	2.5	3.0	2.8
				A small minority of urban respondents observed that [river / coastline] water quality had improved during lockdown. In several groups there was one or two respondents who would mention at this stage that they were aware of SEPA testing water quality and they were reassured by this. A small proportion of respondents aged over 50 years believed that river/coastal water quality was poorer now than it had been in the past.	2.5	3.0	2.8
				Most of the perceived problems with water quality in rivers/coastlines in the past were related to: - pollution/discharge from factories - waste from out at sea washing up on beaches - litter from visitors to the coastline	2.5	3.0	2.8
				Even where people were noting that they had seen things like ear buds, wipes or sanitary products they often did not connect that to the potential for sewage to be in the water	2.5	3.0	2.8
				All of the respondents agreed that if the water quality in our rivers or coastlines was poor it would affect everyone. As the vast majority used rivers and beaches for walking there was a strong sense that it would be aesthetically upsetting.	2.5	3.0	2.8
				Most respondents were not particularly concerned about river/coastline water quality. If they perceived water quality to be poor at a particular beach or river, they would tend to avoid it only if it looked unattractive (litter	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				or discoloured water) or if they/their kids/dogs would be going into the water.			
Community and Environment Impact [SW019]	Jun-23	Qual & Quant	2458	The most impactful scenarios [on a community/environment] for households were: - Sewer flooding on a road - High-pressure water pipe burst - Water supply interruptions - Pollution and bad/poor status of rivers used for leisure and recreation As expected, incidents affecting river water quality had a greater impact when the river was used for leisure/recreation than when it was not	3.0	3.0	3.0
				The most impactful scenarios [on a community/environment] for businesses were: - Bad/poor status/pollution of rivers used for leisure and recreation* - High-pressure water pipe burst - Sewer flooding on a road - Water supply interruptions	3.0	3.0	3.0
				As expected, incidents affecting river water quality had a greater impact when the river was used for leisure/recreation than when it was not.	3.0	3.0	3.0
				Local beach has a bathing water status of 'POOR'' had a higher impact among households/organisations located near a beach, and among those who did water sports or went walking, running, cycling, etc. at least once a year	3.0	3.0	3.0
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	The importance of River & Coastal Water Quality is based on the desire to protect one of Scotland's greatest assets (and sources of income). The link to Scottish Water is not intuitive for many customers.	2.8	3.0	2.9
				Importance of River & Coastal Water Quality – This is important; those who cared more about it lived close to or spent more time near rivers and coasts. Those who have had direct experience of falling ill from pollution were most engaged. Most made the connection to tourism and livelihoods and the importance of preserving beauty spots was mentioned; this is what Scotland stands for, coastlines in particular. Future customers are	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				keen for Scottish Water to invest to protect nature & ecosystems not just people e.g., birds, fish.			
				Business Customers [in relation to protecting river and coastal water quality] – This audience make the link to sewage more intuitively than household customers (but not all do). This was dismissed as not being related to service and so not important to them or their business.	2.8	3.0	2.9
Waste Water and the Wider Societal Impact [SW010]	Apr-18	Qual	76	In the qualitative exploration, customers told us that river water quality poses the biggest threat to the wider community and Scotland overall. The impact on river water quality has the greatest perceived effect due to the connectivity across Scotland - Rivers are areas that are used for many purposes e.g. leisure, business, tourism, social gathering, exercise etc	3.0	3.0	3.0
				Priority should not be dependant on visibility, river water quality in less accessible areas can travel further - Residents want all parts of the river to be maintained as there will be a knock on effect - Initially those that don't live close to a river take the view 'out of sight, out of mind' - However, when probed, customers recognise that the waste water may flow to other areas too	3.0	3.0	3.0
				The health of rivers is integral to Scotland and can impact communities locally and nationally - The river is a flat walking place for the elderly or those less mobile. It's a place to go and get out of the house. Without it some members of the community could become isolated	3.0	3.0	3.0
				IMPACT ON COMMUNITY [river water quality]: - Is a key meeting point for various members of the community who would no longer visit - Health of the local ecosystem could be affected and could impact local businesses that depend on it - River based hobbies would no longer be able to take place - Hobbies and activities that rely on the river provide jobs and volunteering opportunities	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				IMPACT ON SCOTLAND [river water quality]: - Reduce the number of people coming to the area for bird and wildlife watching - Tourism – people visits the rivers for activities –rowing, walking, cycling - Used as a stop off to other places e.g. Inverness stop off to the highlands, which would have a commercial effect on business - Fishing and angling could be cut back for the stretch of river that is affected	3.0	3.0	3.0
				Businesses have low concern with river quality, but recognise their importance	3.0	3.0	3.0
				Bathing water quality: The surrounding area being clean and tidy is just as important as the impact of wastewater when it comes to bathing water quality	3.0	3.0	3.0
				Beaches and lochs are meeting hubs, where water quality and aesthetics are equally important factors	3.0	3.0	3.0
				Families living in financial hardship especially appreciate the coastline and lochs for free and enjoyable activities	3.0	3.0	3.0
				Scenarios where sewage affects water quality has the biggest impact overall	3.0	3.0	3.0
				However, people would not visit a dirty beach even if the water quality was good	3.0	3.0	3.0
				IMPACT ON COMMUNITY [of bathing water quality issues]: - Financial strain on smaller business locally who rely on visitors - Bad smells and water discoloration can deter visitors from local areas and further afield - Could deter workers from the area, which in turn has a negative impact on the housing market - Creates a negative emotional response as a key meeting place - Reduces trust and feeling safe amongst the local community	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				IMPACT ON SCOTLAND [of bathing water quality issues]: - The coastline is an integral part of why tourists visit. Scotland and would greatly impact the perceptions - Tourists will stop visiting Scotland for it's renowned clean beautiful beaches or wildlife watching if these are affected	3.0	3.0	3.0
Licensed Provider Perceptions of Customer Priorities [SW004]	Nov-17	Qual	12	The majority of LP's were confused by the language of 'bathing water'. Most did not immediately translate this to 'swimming bathing water' / 'coastal bathing water' but instead mistook the term to have a more literal meaning i.e. water from the bath. Whilst this is obviously an industry term, this output suggests that even LP's do not necessarily understand the language used and that perhaps more explicit terminology would be better e.g. 'coastal bathing water.' Once prompted to the real meaning, bathing and river water quality tended to be discussed together, and as discussed previously, most believed they fall under environmental pollution. - As with environmental pollution, river and bathing water quality are felt to less of an issue or concern for the majority of business customers and so a low priority ranking seemed a logical output. This is also related to the fact that there is not felt to be an issue currently.	2.5	3.0	2.8
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	Differences between bad, poor and moderate river quality were in the expected order of impact.	3.0	3.0	3.0
				Environmental services "moderate river water quality" ranks considerably lower in the non-household sample [compared to HH sample].	3.0	3.0	3.0
				The Impact scores for the three bathing water quality levels differed only marginally. However, a bathing water achieving 'Good' status had a marginally lower impact on households than Sufficient and Poor status levels, as expected.	3.0	3.0	3.0

5.5.3 What are Customer Expectations of Scottish Water in Protecting the River and Coastal Water Environment?

Key Insight:

Customers are generally unaware of Scottish Water's role in protecting river and coastal waters. Most customers are not particularly concerned about the quality of these waters. Whilst customers are mostly unaware of SEPAs role in testing environmental water quality, there is a general expectation that they should be informed if there is an issue. Future customers are keen for Scottish Water to protect nature and ecosystems as well as people. There is an expectation that Scottish Water will work with others to maintain the whole environment around bathing sites.

References:

9 sources have been reviewed, resulting in 20 insights, with overall scores between 1.8 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 3 sources, engaging 161 customers.

Table 19 What are customer expectations of Scottish Water in protecting the river and coastal water environment?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
CSOs Research [SW020]	Jun-23	Qual	36	Most respondents were not particularly concerned about river/coastline water quality. If they perceived water quality to be poor at a particular beach or river, they would tend to avoid it only if it looked unattractive (litter or discoloured water) or if they/their kids/dogs would be going into the water. Whilst most were not aware of SEPA testing water quality, there was a general expectation that if there was a problem with water quality they would be informed about it. Indeed, several recalled incidents (usually from years ago) where there had been some sort of contamination or other problem with water quality at a particular beach and it had been widely reported e.g. Turnberry	2.5	3.0	2.8
Customer Expectations of	Sep-22	Qual	69	Important Regional/ Global Issues- They can have a significant impact but are not the sole responsibility of SW and/or not relevant to all customers. The investment areas included in this category are:	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Scottish Water [SW018]				• Climate Change Mitigation • Sewer Flooding • River & Coastal Water Quality			
				Importance of River & Coastal Water Quality – This is important; those who cared more about it lived close to or spent more time near rivers and coasts. Those who have had direct experience of falling ill from pollution were most engaged. Most made the connection to tourism and livelihoods and the importance of preserving beauty spots was mentioned; this is what Scotland stands for, coastlines in particular. Future customers are keen for Scottish Water to invest to protect nature & ecosystems not just people e.g., birds, fish.	2.8	3.0	2.9
				The importance of River & Coastal Water Quality is based on the desire to protect one of Scotland's greatest assets (and sources of income). The link to Scottish Water is not intuitive for many customers.	2.8	3.0	2.9
				What is Scottish Water's role in protecting river and coastal water quality? Few had thought about this before. Many did not make the connection to SW; many assumed it was someone else's responsibility e.g. Environment Agency (SEPA).	2.8	3.0	2.9
				Business Customers [in relation to protecting river and coastal water quality] – This audience make the link to sewage more intuitively than household customers (but not all do). This was dismissed as not being related to service and so not important to them or their business.	2.8	3.0	2.9
Waste Water and the Wider Societal Impact [SW010]	Apr-18	Qual	56	River water quality is considered to be the priority for customers [when compared to other waste water issues]. - Wildlife surrounding and inhabiting the river itself could be greatly affected - Key meeting place for all types of people and activities - Connects all bodies of water and some businesses are reliant on the water from the river	3.0	3.0	3.0
				Wastewater priorities: EPI's are seen as the most impactful form of Waste Water, if it were to happen. However, investment should be prioritised for river water quality as this is most likely	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Maintain pipes to prevent sewage leaks and educate businesses who have the potential impact RWQ e.g. forestry and farming	3.0	3.0	3.0
				The source needs to be identified, and responsibility apportioned to prevent reoccurrence. Use clear and simple communication for those affected to inform on actions to take e.g. signs saying don't go in the river etc	3.0	3.0	3.0
				Priority should not be dependent on visibility, river water quality in less accessible areas can travel further - Residents want all parts of the river to be maintained as there will be a knock on effect Initially those that don't live close to a river take the view 'out of sight, out of mind' - However, when probed, customers recognise that the waste water may flow to other areas too	3.0	3.0	3.0
				Work in partnership with other authorities to maintain the whole environment around bathing sites. Communicate to customers who to contact with different types of issues.	3.0	3.0	3.0

5.5.4 What are Customer Perceptions of Pollution in the Water Environment?

Key Insight:

Customers generally do not think about the waste water system. They can be surprised to learn that rainwater is mixed with sewage in the waste water network, and that the waste water network is designed to overflow into the water environment at times of high rainfall. This can cause some concern about risk to the environment and public health. Most customers are reassured on learning that these spills contain around 1% sewage, but a small proportion remain concerned. Customers are also reassured by Scottish Water's ownership model, the role of SEPA as environmental regulator, and learning that overflows protect properties from sewer flooding. More generally, environmental pollution incidents are concerning to customers, who link them with a wide range of societal, economic and environmental impacts.

References:

11 sources have been reviewed, resulting in 48 insights, with overall scores between 1.9 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 8 sources, engaging more than 3,500 customers.

Table 20 What are customer perceptions of pollution in the water environment in Scotland?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	Participants generally knew that their waste water was sent to a treatment plant, and some participants were aware of having a plant close to them. However, there was uncertainty about the processes by which waste water is treated. Participants were unclear about whether treatment only filters out solids and the extent to which untreated waste water is released into local watercourses. Participants described instances of unpleasant smells and items in local rivers, which they attributed to overflows of sewage from treatment plants. Others mentioned that they thought ageing/Victorian infrastructure was a potential issue for the waste water network, especially in cities	3.0	3.0	3.0
				However, there was concern about discharge of waste water into rivers and lochs, especially in more rural areas. A small number of workshop participants noted that they had experienced seeing sanitary products or human waste in rivers. There was uncertainty about how these discharges are reported and measured, and participants could not identify the scale of the potential problem beyond their immediate experiences.	3.0	3.0	3.0
Long Term Investment Planning [SW055]	Oct-24	Quant	1160	However, like current bill payers (household customers), sewage spills are a major concern among future customers due to their environmental impact.	3.0	3.0	3.0
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	Ultimately, customers think Scottish water is a precious resource and they want to ensure that it is kept safe. Many point to negative media coverage of water companies in England polluting rivers, watercourses and coastal areas and want to ensure that Scottish Water do not act in a similar manner. They want Scottish Water to protect the water in Scotland as it is a great asset. It should not be squandered like in England.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Flooding and spills from the sewer network were perceived to affect a relatively small number of people each year in comparison to drinking water quality for example.	3.0	3.0	3.0
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	When they [customers] were presented with information about the combined sewer system in Scotland, there was some concern about the impact of CSOs into the sea, as well as surprise at the cost and the extent of sewer blockages.	2.8	3.0	2.9
				Participants had typically not thought about the sewerage system previously, although those who had experienced using a septic tank were familiar with how this worked. Upon learning more from the expert presentations, there was surprise that rainwater goes into the same place as sewage. There was concern about the impact of overflows (CSOs) into the sea, and the effect that increased rainfall will have on this.	2.8	3.0	2.9
CSOs Research [SW020]	Jun-23	Qual	36	Only a couple of respondents mentioned that they were aware that in the past sewage was ‘pumped out into rivers and beaches’. These respondents tended to believe that now these problems had been resolved or at least occurred much less frequently. Even where people were noting that they had seen things like ear buds, wipes or sanitary products they often did not connect that to the potential for sewage to be in the water. However, in Groups 1-5 there was one respondent who spontaneously mentioned seeing or hearing something in the news recently about sewage going into coastal waters or rivers when we were talking about water quality. This was related to recent coverage in the media about CSO incidents in England. There were also several respondents who lived near a river which they believed was currently affected by sewage being ‘leaked’ or ‘discharged’.	2.5	3.0	2.8
				Respondents who were more concerned [about CSOs] gave a number of reasons: - Particularly high concerns around public health issues - Often have children or dogs who regularly use the water - Worried this will mean we can’t swim/paddle in our waters anymore - Suspicious of SW e.g. may not make a profit but are staff making massive bonuses/earning huge wages? – big organisation trying to hide mistakes?	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Cynical that SW have been keeping this a 'secret' – why didn't they know about this before?			
				When asked what they were concerned about [relating to CSOs], the vast majority of concerns raised spontaneously related to public health issues. However, in each group when asked to clarify if their concerns were more about public health or the environment, respondents overwhelmingly answered 'both'.	2.5	3.0	2.8
				Some or most respondents the idea of an average 1% sewage content was reassuring but a small proportion were concerned: - Whilst 1% doesn't sound too alarming if it is an average that would imply it could be 10% at certain times or in certain locations. - 1% might not sound like a lot but 1% of what volume?	2.5	3.0	2.8
				Most of those [from groups 1,2,3,6] who had no significant concerns were now even less concerned than they had been when they first found out about CSOs. There were a number of key factors which reassured them: - 1% sewage - SW are a public organisation - SW are regulated by SEPA - The diagram clearly demonstrates how their homes are protected by CSOs	2.5	3.0	2.8
				All of the respondents had at least some degree of concern. In 4 of the 6 groups [groups 1,2,3,6] the majority sentiment was a relatively low-level concern for the current situation. These respondents typically wanted reassurance about what was being done to prevent this becoming a more significant concern in the future. - But, for all the same reasons given in the last section they were not hugely concerned at the present time.	2.5	3.0	2.8
				Groups 4 and 5 demonstrated much higher levels of concern [about CSOs] [than the other 4 groups 1,2,3,6]. Although there were respondents in both of these groups who had low level concerns, the majority were very concerned. Again although they spoke almost exclusively about public health concerns, they said that they were equally concerned about the environment and public health. Respondents who	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				used the water for sports or had dogs/children swimming in the water were more likely to cite public health as a concern.			
				Groups 4 and 5 demonstrated much higher levels of concern [about CSOs] [than the other 4 groups 1,2,3,6]. Again, there are no obvious demographics or characteristics which the concerned respondents have in common. Most respondents lived 'close' to a river or a beach which they used frequently for leisure so it's difficult to tell if proximity to rivers/coastlines has an impact. Again, they were less likely to have been aware of or had any past dealings with SW, they were less likely to understand or have any faith in the system of regulation and they were more likely to mistrust government and public bodies. They were also less likely to draw any conclusions themselves about the scale of the problem and so consequently they often came up with unrealistic solutions they thought were perfectly workable. For example, they might suggest SW should just change all the sewers to separate out rainwater or should just increase the capacity of all treatment works now. They were unable to see the complexity or scale of the challenge. They consequently approached the presentation slides with cynicism.	2.5	3.0	2.8
				The respondents had many questions about CSOs, the most common were: - Is this a problem in Scotland? - Where are they? (so they can be avoided especially after poor weather) - How frequently do they occur? - What happens if the proportion of sewage increases? – would the area be shut down for cleaning? – how would the public find out? - At what point does the proportion of sewage become problematic or dangerous either to the environment or public health? – how would the public find out? – how quickly can it be resolved/cleaned? - How would SW be held accountable if they did something wrong? (public body so they can't be fined like a private company) - Could it ultimately impact on drinking water quality? - What is the alternative? – what's the long-term plan?	2.5	3.0	2.8
	Jun-23	Qual & Quant	2458	The most impactful scenarios [on a community/environment] for households were:	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Community and Environment Impact [SW019]				- Sewer flooding on a road - High-pressure water pipe burst - Water supply interruptions - Pollution and bad/poor status of rivers used for leisure and recreation As expected, incidents affecting river water quality had a greater impact when the river was used for leisure/recreation than when it was not			
				The most impactful scenarios [on a community/environment] for businesses were: - Bad/poor status/pollution of rivers used for leisure and recreation* - High-pressure water pipe burst - Sewer flooding on a road - Water supply interruptions	3.0	3.0	3.0
Waste Water and the Wider Societal Impact [SW010]	Apr-18	Qual	56	EPIs have the potential for the widest societal, environmental and economic impact	3.0	3.0	3.0
				EPI RISK IF NOT QUICKLY CONTAINED: - Risk to human health – some worry about fatality - Health/population of wildlife e.g. sea life, fish and birds - Impact on important economic industries e.g. salmon fishing, mussel beds, wildlife, tourism - Considered to be less containable, therefore posing a wider risk to other communities e.g. those downstream	3.0	3.0	3.0
				A serious EPI incident could have a permanent effect on communities and Scotland as a whole Impact on Community: - Concerns around potential illnesses and smells that can spread through contaminated water - Any damage to local wildlife spots impacts on community moral - Closed business such as shops have a direct impact on the owner and create inconvenience for customers - Fears around contaminants spreading to other communities	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Impact on Scotland: -Felt to have a larger societal impact the longer it goes on (multiple communities affected) - If salmon farms, mussel beds, whisky burns, or wildlife was hit it would impact exports & tourism - Potential for pollutants to pass from the environment, along the food chain to produce that we farm and eat - Depending on the scale/damage, media coverage could deter both locals and tourists from visiting - Damage to soil and farming – this could take a while to recover from			
				An EPI that disrupts daily life such as work, shopping and travel is considered worst for individuals	3.0	3.0	3.0
				An EPI in a [recreational] space is most likely to impact older and younger members of the community	3.0	3.0	3.0
				Scenarios that impact businesses and wildlife can have the greatest economic effect on Scotland as a whole	3.0	3.0	3.0
				Like all customers, those more vulnerable are concerned about the wider societal and environmental impacts of an EPI	3.0	3.0	3.0
				Businesses often have similar concerns for waste water as domestic customers, but with added responsibility. - All businesses regardless of size consider the impact of a waste water incident on their customers, their staff and their ability to continue trading. Responsibility to operate in a way that prevents incidents is important	3.0	3.0	3.0
				The bigger the business, the more concern the owner has for their role in preventing waste water incidents	3.0	3.0	3.0
				Although often primarily concerned with the role of waste water on their own operation, Scottish businesses are also concerned about the impact that waste water problems could have on Scotland as a whole, especially when it comes to the local economy and business infrastructure	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Businesses protect their own interests first. Less thought is given to the wider impacts - Limit impact on business operation: Clean up and decontamination operation put into place to minimise business closure - Identify fault and responsibility: So that responsibility for rectifying the problem can be quickly apportioned	3.0	3.0	3.0
				Waste water priorities: EPI's are seen as the most impactful form of Waste Water, if it were to happen. However, investment should be prioritised for river water quality as this is most likely	3.0	3.0	3.0
SR21 Customer Engagement (Household Customers) [SW013]	Jan-17	Qual	54	Scenarios least able to cope with (1-5): 5. Community pollution incident: extensive visible pollution affecting 1km: 100+ fish killed, or extensive damage to and/or closure of agricultural or commercial activities	3.0	3.0	3.0

5.5.5 What are Customer Expectations of Scottish Water in Protecting the Water Environment from Pollution?

Key Insight:

It is seen as important to protect the water environment in Scotland. There is an expectation for Scottish Water to address spills and pollution incidents, linked to customers' desire to protect the natural environment. Customer concerns may be rising as a result of UK-wide media coverage around the topic, with Scottish Water's most recent research showing that customers believing that reducing the impact of sewer overflows is of paramount importance to protecting local areas and the environment – although this is perceived by customers to be a lesser issue for Scotland than elsewhere in the UK.

Customers are keen for Scottish Water to have a plan in place to deal with challenges, such as increased rainfall and demand, whilst also protecting the natural environment. Customers expect Scottish Water to work together with other water sector stakeholders to ease the strain on Scotland's waste water system.

References:

9 sources have been reviewed, resulting in 29 insights, with overall scores between 2.4 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 7 sources, engaging more than 1,000 customers (excluding YouGov Perceptions Survey).

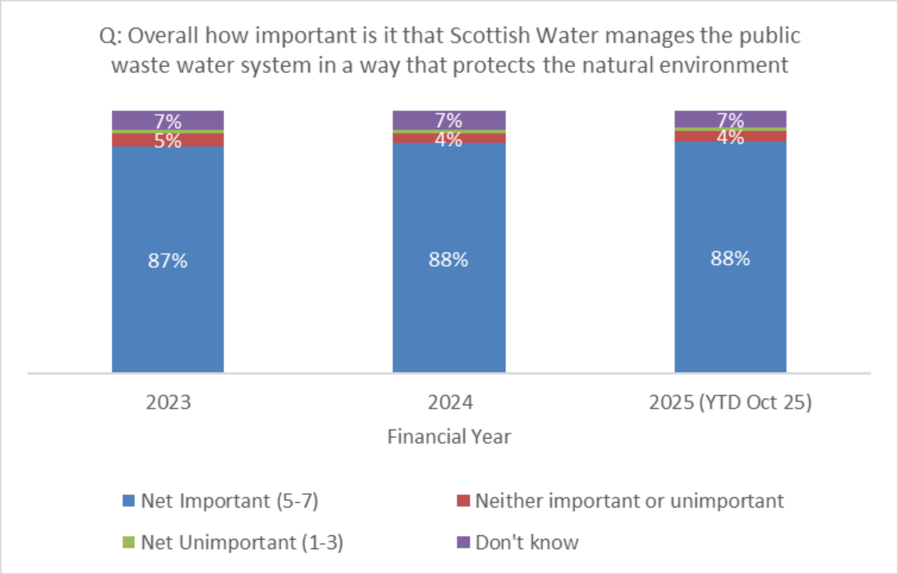
Table 21 What are customer expectations of Scottish Water in protecting the water environment from pollution?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	Reducing sewer overflows was believed to be of paramount importance with progress felt to be essential to protect local areas and the environment.	3.0	3.0	3.0
				Five key association themes emerged from both household and business customers - Environmental Attitudes and Behaviours When it comes to environmental concerns, the greatest focus was placed on waste water spills, particularly with regards to Combined Sewer Overflows (CSOs). Participants expressed a strong desire for transparency in the CSO policy, showing concern about how and when these systems are used and their environmental impact. This was a more prominent concern than even Scotland’s Net Zero goals, although some awareness of the country's broader environmental commitments was still present.	3.0	3.0	3.0
				Intergenerational Families talked about the need to maintain service in the longer term and invest in assets and commit to improving environmental pollution.	3.0	3.0	3.0
Long Term Investment Planning [SW055]	Oct-24	Quant	1160	With regards to addressing spills from the sewer network, investing in stopping spills from the sewer network is the most common service area customers want to improve – largely due to the impact on the environment.	3.0	3.0	3.0
				Household customers also prioritised improving the three sewage service areas. Over half of customers chose the Improve+1 investment option for	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Spills from the sewer network (48%), Sewage treatment works (52%) and Flooding from sewers (55%).			
				[When asked about what should be delivered sooner] Spills from the sewer network were seen to be urgent as it was more top of mind for customers (e.g. being in the news). Respondents also thought it is something that is only going to get worse due to the impact of climate change.	3.0	3.0	3.0
				[When asked about what should be delivered sooner] Younger customers (aged 16-54) were more likely to want to see improvements to drinking water supply, quality and taste, smell and appearance delivered sooner. Older customers (aged 55+) were more likely to seek urgency on spills from the sewer network.	3.0	3.0	3.0
				[When asked about what should be delivered sooner] Both those in council tax bands FGH and those worried about the impact of climate change were significantly more likely to want to see improvements to the sewage related service areas delivered sooner. When comparing priorities with those very worried about climate change and those not worried – we see clear differences in the percentage ranking each service area in the top three.	3.0	3.0	3.0
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	Spills from the sewer network are seen to be a big issue in England but less so in Scotland. However, this SDC is coming up in the news more and media coverage may bias customer perceptions of the importance of investing in this area.	3.0	3.0	3.0
				Customers who spend a greater proportion of time outdoors thought spills from the sewer network was more important. They were attuned to the value of the natural environment and sought to prioritise its protection.	3.0	3.0	3.0
				Business customers again held similar views to household customers. One respondent reliant on tourist income mentioned that the natural environment is what attracts tourists to his area: spills from the sewer network would directly impact on the attractiveness of Scotland as a destination.	3.0	3.0	3.0
				Ultimately, customers think Scottish water is a precious resource and they want to ensure that it is kept safe. Many point to negative media coverage of water companies in England polluting rivers, watercourses and coastal areas and want to ensure that Scottish Water do not act in a similar manner. They	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				want Scottish Water to protect the water in Scotland as it is a great asset. It should not be squandered like in England.			
				For sewage treatment works, the rationale for priority was: • Sewage treatment works are perceived to be a tangible, physical asset. In many instances this SDC was the first people invested in. • Respondents cite interconnectedness. They perceive investing in sewage treatment works as having an outsize impact on the other SDCs (for example making spills from the sewage network less likely and protecting drinking water quality). • Many respondents were aware of media coverage of the impact of regular discharges from Combined Sewage Overflows (mainly in England). This pushed them up the agenda. Some inferred treatment works should be more of a priority for all water companies as a result ("fix the problem at source before a spill happens").	3.0	3.0	3.0
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	While participants acknowledged that changing the entire system would be too time-consuming and expensive, they felt that more should be done to improve the system and reduce the likelihood of CSOs. This included both updating the infrastructure and encouraging behaviour change to reduce the strain on the sewerage system.	2.8	3.0	2.9
				There were mixed opinions on which approach to monitoring CSOs is desirable in future. Some saw Scotland's current approach, where monitoring and upgrading is done for sewers identified as priorities, as acceptable, more cost-effective and a better use of available resources. Others believed that all sewers should be monitored, due to concerns around the environmental impact of overflows, transparency and accountability.	2.8	3.0	2.9
				Everybody was thought to have some responsibility for reducing the risk of CSOs and reducing strain on the system, from individual behaviour change to leadership at a national level. Manufacturers were seen to have a particular responsibility to ensure products that are not flushable are accurately labelled.	2.8	3.0	2.9
				Behaviour change was widely seen as an important part of reducing the strain on Scotland's sewerage system and minimising the risk of CSOs. Despite participants feeling they were relatively conscientious in relation to their own behaviours, it was thought more could be done. Participants also identified	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				various barriers to change, however, and thought that certain groups may find it particularly hard, such as those with a disability or health condition or families with young children			
Strategic Plan Research [SW021]	Aug-23	Qual	66	Customers felt this objective [transform wastewater services] was certainly achievable for Scottish Water, with some HHs wanting to see even more ambition in this area. This could be done by sharing examples of what exactly would be done and also potentially going beyond just protecting the natural environment and enhancing it.	2.8	3.0	2.9
CSOs Research [SW020]	Jun-23	Qual	36	Whilst most respondents were not hugely concerned at present there was a very strong perception that action needed to be taken now to plan for the future so that as rainfall increases and new housing is built, our systems can cope with heavy rain without increasing the volume or percentage of sewage overflowing. Whilst it was reassuring that CSOs prevented flooding in our homes/streets there was a strong perception that there must be another way forward.	2.5	3.0	2.8
				The fact that CSOs are being monitored with SEPA testing was very important. Respondents who understood the idea of industry regulation and accepted SEPA's authority over SW were also typically less concerned. However, there remains some cynicism around the extent to which any public body can be trusted with respondents highlighting 'Scottish Government mistakes with the ferries' as an example of attempted 'cover-up'.	2.5	3.0	2.8
				A handful of respondents described Sustainable Urban Drainage Schemes but there was interest in understanding if there was a plan and if so, what the plan was. This tended to lead respondents on to query how much investment would be required to 'fix' the problem [of CSOs]. A small proportion in each group thought that it would take a huge investment over many years to improve on the current situation. This inevitably prompted respondents to discuss who would pay for that and it was common for them to believe that of course they would end up paying for whatever was required whether they wanted to or not.	2.5	3.0	2.8
				A small proportion of the more concerned respondents wanted to be able to check the status of a particular river/beach location in almost real time. Some of them were envisaging an app or a website from SW which was updated daily to allow them to check the status of their local CSO. Another suggestion from a small number was for an alert system, similar to what SW have for	2.5	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				alerting people in a specific postcode that there is a problem with the service in the area.			
YouGov Perceptions Survey [SW038]	2023 – 2025 YTD	Quant	c. 500 HH per month		2.8	3.0	2.9

5.5.6 What are Customer Perceptions on Scottish Water Providing Waste for Bioresources?

Key Insight:

Although customers are not generally aware of the term ‘circular economy’, they do identify sustainability as a key characteristic for a company to be considered admirable. Supported by explanations of the meaning within a water industry context, customers are in favour of Scottish Water embracing the concept more, drawing a contrast with ‘throw away’ culture. They can be intrigued by innovations around extracting value from bioresources, wanting to know more about concepts such as the generation of renewable energy from sewage. Business customers tend to prioritise circular economy objectives more highly than household customers and would like to see more information about Scottish Water’s plans to do more.

References:

7 sources have been reviewed, resulting in 14 insights, with overall scores between 2.0 and 2.6. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.4 and 2.6. These are derived from 4 sources, engaging more than 1,000 customers.

Table 22 What are customer perceptions on Scottish Water providing waste for bioresources?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	The concept of generating renewable energy from sewage intrigued customers and they wanted to know more about how this would be done	3.0	2.0	2.5
Strategic Plan Research [SW021]	Aug-23	Qual	66	The key characteristics for a company to be admirable were largely focussed around sustainability or going ‘above and beyond’ the service offered. Some of the companies mentioned included Tesla, a company that is constantly looking to move forward, Scottish Power, as they were looking at renewable energy and ‘Who Gives a Crap’, a company whose brand is centred around the environment.	2.8	2.0	2.4
				Not many customers were aware of the term ‘circular economy’, but once this was explained to them, they were in favour of Scottish Water embracing it more. There were, however, comments from some customers that this was another objective where the idea was clear, but where no information was provided on the specifics of what Scottish Water would do, and what impact each action would have. They felt the was too much corporate text, and Scottish Water couldn’t be held accountable, as they would not be tied down to specific actions. NHHs particularly wanted to see more information about the steps Scottish Water would take to achieve this.	2.8	2.0	2.4
				The key challenges identified for embracing the circular economy were largely focused on weather and climate change. If this meant less water was available, or more stress was put on the water system when it rained, then it could be more difficult to only rely on existing water resources. Increasing regulatory standards could also have an impact too, if it made it more difficult to reuse products and materials.	2.8	2.0	2.4
				After being shown the list of 10 objectives, both HH and NHH customers felt that the most important objectives for Scottish Water to focus on were delivering consistently excellent water supply, as well as keeping services	2.8	2.0	2.4

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				affordable. HHs additionally felt that enhancing the natural environment was important, while NHHs brought up embracing the circular economy.			
Circular Economy Content Series – Water Matters [SW057]	Aug-22	Qual	21 HH	[After being shown objectives and explanation] Members found the Circular Economy objectives very easy to understand and thought that they were admirable. They also found that they were good mission statements for sustainable change from Scottish Water. However, there was speculation around whether or not Scottish Water could keep these promises.	2.2	3.0	2.6
				92% of members [of the Water Matters community] wanted to be kept up to date on Scottish Water's Circular Economy projects with the majority wanted to be kept in touch via email	2.2	3.0	2.6
Wider Environment - SR21 Environmental Priorities [SW006]	May-19	Qual & Quant	1102	The 'circular economy' was also an unfamiliar concept, which hindered reactions. The term would need to gain currency before it could be tapped by Scottish Water. However, the implicit contrast with a throw-away culture was understood by some participants, who recognised it in the behavioural shift to reusable bottles replenished with tap water.	3.0	2.0	2.5

5.6 Waste Water: Managing Quantity of Flows

This section covers internal sewer flooding (inside properties), external sewer flooding (gardens, driveways, roads and public parks) and surface water management.

5.6.1 What is the Perceived Impact of an Internal Sewer Flooding Incident?

Key Insight:

Customers consistently tell us that an internal sewer flood has the highest personal impact of all service issues. Household customers are concerned by the potential health and safety impact of sewage in their homes, whilst business customers express concerns about damage, potential impact on insurance premiums, and reputational damage.

References:

15 sources have been reviewed, resulting in 28 insights, with overall scores between 2.4 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 10 sources, engaging more than 3,000 customers.

Table 23 What is the perceived impact of an internal sewer flooding incident?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	Internal Sewer Flooding ■ NHH customers recognise the potential impact on their businesses' operation and reputation of sewer flooding in or around their premises, so they understand the importance of reducing the risk here. ■ As with previous research we saw again how reducing the risk of internal sewer flooding is polarising to some extent, in terms of how much of a priority it is felt to be for customers. It is seen as unacceptable for those affected and there are concerns that it represents health risks etc. However, it is perceived to affect a relatively small number of customers in comparison to some of the other potential investment areas. [..]	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Flooding Mitigation Policy [SW057]	Jun-24	Qual	c.55	The experiences of those who have been flooded are similar in emotional impact - however the long term impact can differ	2.8	3.0	2.9
				Those with repeat experiences either want to prevent future reoccurrences or don't believe it will happen again Acceptance - Want to make sure they do all they can to reduce the likelihood of reoccurrence - More proactive about resolution - Know who to contact if/when it does happen again Denial - Struggle to see themselves at risk and would be surprised if it reoccurred. This could be due to optimism bias. - Some are unsure who to turn to and may delay taking action if no one else takes responsibility.	2.8	3.0	2.9
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	76	What people understood by blocked sewer pipes? Health and safety issues – raw sewage in or out of home (many go straight to this worst-case scenario).	2.8	3.0	2.9
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Many didn't equate wastewater with "sewage" – meaning they didn't take on board the health ramifications. Changing the wording to sewer flooding focused attention.	2.8	3.0	2.9
				Importance of sewer flooding – This is reasonably important; relevance was mixed as few had thought about the issue and didn't see it likely to happen to them. Those who made the connection to human waste felt it was important because of the danger it could pose to health. Others considered the impact it could have on businesses (e.g., ruin stock, close businesses permanently) or economic impact (e.g., insurance premiums)	2.8	3.0	2.9
				Business Customers [in relation to sewer flooding]- Many considering the effect on insurance premiums rising and potential damage to their business/ assets. This was a more spontaneous link for business than it was for households. They want a means of contact if this happens, so they feel like	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				they have some control over the resolution. They want personal reassurance and would want this to be local, not in a call centre.			
Waste Water and the Wider Societal Impact [SW010]	Apr-18	Qual	56	Scenarios that affect residents and personal belongings has the highest personal impact	3.0	3.0	3.0
				During a waste water flooding incident there is a priority to protect human health & resolve issues quickly	3.0	3.0	3.0
Licensed Provider Perceptions of Customer Priorities [SW004]	Nov-17	Qual	12	There was general consistency from LP's that from their point of view they could understand why customers, and particularly business customers, placed internal sewer flooding as a high priority. The impact on trade is the key aspect here. However, some did question its ranking position because they don't believe it affects many customers. Hence whilst it might cause great distress and have a large impact on trade if it happens, the incidence is generally felt to be low. Its not something they hear a lot about from customers – although arguably they agree they wouldn't necessarily be the first contact point if this did happen. The type of businesses that would feel the impact more, if it were to happen, were SMEs where a loss of trade for just one day is a big deal, and those who sell any type of consumables including restaurants etc.	2.5	3.0	2.8
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	Incidents of internal sewer flooding exhibited by far the highest Impact scores of all the service issues. Independently from the source of the flooding (pipework or below floorboard, for instance), any case of sewer flooding within the living area entailed a more than 3 times higher impact than an interruption of water supply that lasts up to 78 hours. As anticipated, the impact of sewer flooding decreased considerably if the incident was said to take place outside the living area such as in an attached garage or basement.	3.0	3.0	3.0
				The [internal] sewer flooding measures are found to have the highest Impact scores of all the service issues.	3.0	3.0	3.0
				Service issues like internal sewer flooding, while still entailing the biggest impact, were found to have a smaller Impact score [for business customers] than for the household sample.	3.0	3.0	3.0
SR21 Customer Engagement	Jan-17	Qual	14	Scenarios least able to cope with (1-5): 1. Internal sewer flooding: have to close for 1 week to allow a clean-up and restoration; risk this will happen again. No businesses could easily cope.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
(Business Customers) [SW012]							
SR21 Customer Engagement (Household Customers) [SW013]	Jan-17	Qual	54	Scenarios least able to cope with (1-5): 1. Internal sewer flooding: temporary accommodation for a year; possible risk of recurrence 2. Internal sewer flooding: temporary accommodation for a year; very low risk of recurrence	3.0	3.0	3.0
Understanding Views on Resilience [SW001]	Aug-16	Qual & Quant	c.1350	Of all the scenarios people fear internal home flooding the most–this was the worst case scenario in terms of long term impact, likely damage and stress	3.0	3.0	3.0
				Resilience to internal flooding was limited [for non-household customers]: any internal flooding is a critical event, would mean trading would have to pause indefinitely	3.0	3.0	3.0

5.6.2 What are Customer Expectations of Scottish Water Regarding Internal Sewer Flooding?

Key Insight:

Customers generally feel that addressing internal sewer flooding is important, and a priority for Scottish Water, especially when properties are affected by repeated incidents. However, some customers perceive it as an issue that does not affect many customers and may prioritise other areas of investment which affect more people. Informing customers about concepts such as 'at risk' register for internal sewer flooding, and the fact that this register involves a churn of properties can help to deepen customers understanding of the need for continual investment.

Some customers may expect Scottish Water to work in partnership with other organisations such as Local Authorities and housing developers to manage planning and design issues which can cause flooding issues. They also expect Scottish Water to work with the wider public to address behaviours which can cause internal flooding such as flushing wet wipes.

References:

18 sources have been reviewed, resulting in 38 insights, with overall scores between 2.1 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 11 sources, engaging more than 3,000 customers.

Table 24 What are customer expectations of Scottish Water regarding internal sewer flooding?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	Participants also highlighted areas that they believed Scottish Water needed to focus more on. These included focussing on tackling external and internal sewer flooding, repairing and replacing pipes, maintaining water quality, and ensuring that customers' supply was uninterrupted. While focussing on these areas, participants thought that Scottish Water should remain environmentally conscious.	3.0	3.0	3.0
				Some participants had heard that flushing wipes and other objects down the toilet, or putting cooking oil down drains, can clog pipes and cause issues with the waste water network. Some of these participants had learnt about this from campaigns on billboards or on TV, whilst others had personal experiences of blockages. There was a view that there is a need to further educate people about, and raise awareness of, the problems that incorrect disposal can cause.	3.0	3.0	3.0
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	Internal Sewer Flooding ■ Working with others (such as developers and local authorities) is seen as key, as customers do not see this as something that Scottish Water can address on its own. They feel it can be linked to over-development and questionable planning decisions, and they feel that Scottish Water and its customers should not be solely responsible for funding solutions. ■ NHH customers recognise the potential impact on their businesses' operation and reputation of sewer flooding in or around their premises, so they understand the importance of reducing the risk here. ■ As with previous research we saw again how reducing the risk of internal sewer flooding is polarising to some extent, in terms of how much of a priority it is felt to be for customers. It is seen as unacceptable for those affected and there are concerns that it represents health risks etc. However, it is perceived	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				to affect a relatively small number of customers in comparison to some of the other potential investment areas. ■ The additional information presented to customers about the 'at risk' register for internal sewer flooding and the fact that this register involved a churn of properties helped to deepen their understanding of the issue and the extent of the problem. However, there is still debate about why properties become at risk and if this is solely Scottish Water's/bill payers' problem to solve. ■ On the whole participants are still conflicted between wanting to remove this risk for others and not wishing to divert spending from areas with a wider impact on a higher number of customers.			
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	Participants had a mixed response to this topic [internal sewer flooding], often with an initial emotional response where the existence of this issue in the modern era was felt to be shameful and disgusting. It was felt to reflect poorly on Scottish Water that anyone had to live with the fear of internal sewer flooding and that the proposed solution would only slightly reduce the number of properties impacted. However, participants also had a more measured response which noted the small number of properties impacted and considered this less of a priority on that basis. The potential cost of resolving this issue was also factored in with concerns that the cost might outweigh any benefits.	3.0	3.0	3.0
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	In comparison to drinking water, which is required by all, flooding from sewers was seen to affect the few, rather than the many. Therefore, many customers chose to prioritise investment in Scottish Water's other SDCs instead.	3.0	3.0	3.0
				Customers felt that the public is responsible for wastewater flooding too and wanted Scottish Water to help them so they could help the country. For example, several customers recalled the Scottish Water advertisements that discourage the flushing of wipes.	3.0	3.0	3.0
				In comparison to household customers, businesses thought flooding from sewers and water supply were more important. Some of the sample had indirect experience of sewer flooding which made it more of a priority for them.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Flooding Mitigation Policy [SW057]	Jun-24	Qual	c.55	There is a strong understanding that everyday human behaviours can lead to flooding. Behaviours such as flushing wipes and nappies down the toilet and disposing of oil down the sink are well understood to lead to flooding.	2.8	3.0	2.9
				Customer expectations of who should take responsibility for sewer flooding are contingent on several factors Previous experience - With experience: expect Scottish Water to clean up and resolve the underlying problem. - Without experience: wouldn't expect Scottish Water to clean up. Would tend to call the fire brigade as they wouldn't know who else to call Housing status - Home owners: Some expect the council to be responsible (as water bills are paid through their council tax). Others expect themselves/their water company to be responsible - Renters: expect the landlord/factor to be responsible - Social housing: expect the housing association/council to be responsible Flooding type - Internal sewer flooding: feel as though they have partial responsibility - External sewer flooding: tend to think that someone else is responsible e.g. the council	2.8	3.0	2.9
				Businesses have a clearer understanding of responsibility and who to contact, but feel responsibility is passed around. Most business owners don't own their premises, but they may accept partial responsibility depending on the cause of the flood.	2.8	3.0	2.9
				[Once prompted with responsibilities] Most were surprised by the wide range of organisations involved in dealing with sewer flooding and the extent of Scottish Water's responsibilities.	2.8	3.0	2.9
				There is a clear consensus on who should be prioritised under this [flooding mitigation] policy, focusing on vulnerable audiences	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- There is a consensus that everyone who is impacted by flooding(regardless of severity and degree) should receive help. However, prioritisation of those most impacted should come first, and then vulnerable audiences. - Defining those classed as vulnerable comes with some difficulty, but it is ultimately understood as the elderly, those with children, those who are immobile, or those with a physical health problem. - Financial stability is a factor that contributes to the perception of prioritisation. Ultimately, if someone is deemed to struggle financially, they should be prioritised over those who are financially stable.			
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	76	SW's role in blocked sewer pipes: Some confusion around when this would be SW's responsibility. First point of contact for this issue is unclear, most would go straight to the plumber.	2.8	3.0	2.9
				Timescale expectations for blocked sewer pipes: - Urgent (ASAP): Expect immediate response in the case of sewer flooding internally or externally and expect Scottish Water to 'drop everything' to attend to this issue. - Less urgent (24 hours): In less severe cases, customers are accepting of longer timescales but would still expect the issue to be attended to in the same day. - SW timescales: 4 hours (urgent) / 1 day (non urgent)	2.8	3.0	2.9
				Customers struggled to think of a non-urgent example of this service issue [blocked sewer pipes] due to the health and safety aspect of this service issue. They felt that attendance should be prioritised regardless of the time of day.	2.8	3.0	2.9
				Businesses [about blocked sewer pipes]: Expectations varied according to their ability to 'shut off' the area within their business premises, if they are customer facing. Food manufacturers could potentially be liable for fines as they need proof of hygiene.	2.8	3.0	2.9
Customer Expectations of	Sep-22	Qual	69	Importance of sewer flooding – This is reasonably important; relevance was mixed as few had thought about the issue and didn't see it likely to happen to them. Those who made the connection to human waste felt it was important because of the danger it could pose to health. Others considered	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Scottish Water [SW018]				the impact it could have on businesses (e.g., ruin stock, close businesses permanently) or economic impact (e.g., insurance premiums)			
				What is Scottish Water's role in Sewer Flooding? - Many thought this area had shared responsibility, with for example the Local Authority and/or Housing Developers bearing a responsibility to ensure buildings are sited correctly with the right infrastructure. Local planning needs to keep an eye on flood plains; if there is no natural drainage around more water goes into sewers which can be overwhelmed.	2.8	3.0	2.9
				Business Customers [in relation to sewer flooding]- Many considering the effect on insurance premiums rising and potential damage to their business/ assets. This was a more spontaneous link for business than it was for households. They want a means of contact if this happens, so they feel like they have some control over the resolution. They want personal reassurance and would want this to be local, not in a call centre.	2.8	3.0	2.9
Waste Water and the Wider Societal Impact [SW010]	Apr-18	Qual	56	During a waste water flooding incident there is a priority to protect human health & resolve issues quickly	3.0	3.0	3.0
				Scenarios that flood internally or repeatedly flood are considered high priority investment areas	3.0	3.0	3.0
Licensed Provider Perceptions of Customer Priorities [SW004]	Nov-17	Qual	12	There was general consistency from LP's that from their point of view they could understand why customers, and particularly business customers, placed internal sewer flooding as a high priority. The impact on trade is the key aspect here. However, some did question its ranking position because they don't believe it affects many customers. Hence whilst it might cause great distress and have a large impact on trade if it happens, the incidence is generally felt to be low. Its not something they hear a lot about from customers – although arguably they agree they wouldn't necessarily be the first contact point if this did happen. The type of businesses that would feel the impact more, if it were to happen, were SMEs where a loss of trade for just one day is a big deal, and those who sell any type of consumables including restaurants etc.	2.5	3.0	2.8
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	Household participants were given 30 seconds to name up to three things that Scottish Water should concentrate on in the future. - Safe, clean drinking water - fresh, pure etc (18%) - Water quality - taste, smell etc (12%)	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Sewage/sewer flooding (8%)			
Understanding Views on Resilience [SW001]	Aug-16	Qual & Quant	c.1350	As with domestic customers in a flood, a coordinated response would be expected from the local authority, licensed providers, Scottish Water, insurance companies and potentially emergency services depending on seriousness	3.0	3.0	3.0

5.6.3 What are Customer Perceptions of External Sewer Flooding?

Key Insight:

As is the case with many aspects of Scottish Water's waste water service, external sewer flooding is not top of mind for most customers, or a major concern. Customers often group external sewer flooding with other types of flooding e.g. rain on roads. As such, less informed customers can perceive the issue to be part of living in Scotland. However, when external sewer flooding affects homes and businesses, customers become concerned. Business customers may be concerned about impact on the accessibility of their premises. When connections are made with sewage, customers are concerned about health and safety. Waste water flooding that impacts culture, tourism or heritage is considered to be damaging to Scotland as a whole.

References:

17 sources have been reviewed, resulting in 59 insights, with overall scores between 1.5 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 11 sources, engaging more than 6,000 customers (excluding YouGov Perceptions Survey).

Table 25 *What are customer perceptions of external sewer flooding?*

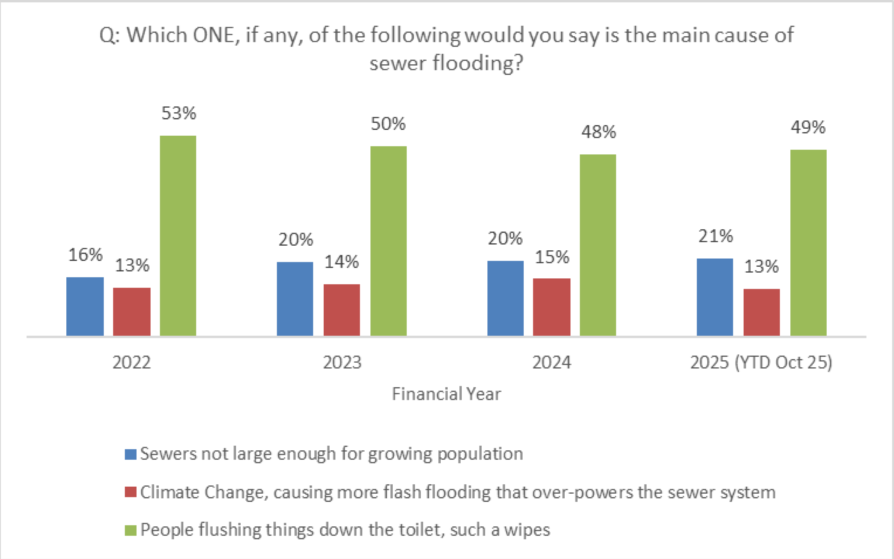
Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
	Jun-24	Qual	c.55	There is a strong understanding that everyday human behaviours can lead to flooding. Behaviours such as flushing wipes and nappies down the toilet	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Flooding Mitigation Policy [SW057]				and disposing of oil down the sink are well understood to lead to flooding. There is further awareness that paving over green spaces means water cannot be absorbed properly.			
				The drainage problems inherited through ageing infrastructure are understood to be contributing to flooding. Ageing infrastructure is considered to contribute to flooding because the drainage systems of old buildings, roads and sewer networks are considered inadequate. Additionally, the increase in the number of homes being built is thought to be overburdening these failing systems.	2.8	3.0	2.9
				Climate change is expected to exacerbate pre-existing infrastructure problems and increase flooding events. The problems brought around by climate change are understood to be posing additional problems to ageing infrastructure. Customers understand the scale of the challenge in improving the infrastructure networks to address this problem.	2.8	3.0	2.9
				Customers feel that rainfall will get more intense and frequent in the foreseeable future. Customers (particularly businesses) aren't hopeful that infrastructure networks will be upgraded soon. Thus, the immediacy of the climate threat is thought to intensify the problem.	2.8	3.0	2.9
				Many customers accept flooding 'as it is', meaning it is something that they just 'have to' deal with as and when it happens. Fundamentally however, this perceived to be an unlikely event.	2.8	3.0	2.9
				Any communications customers receive on flooding tend to come through the news (often via phone alerts), emails or social media. Customers even receive flooding advisories when booking train tickets. The mainstream news media is thought of as the primary source of flooding information. Flooding is only thought to feature on the news when it is severe. Very view have received communications from Scottish Water. The Scottish Environment Protection Agency (SEPA) or Flood Register are rarely mentioned as sources of flooding information, whether that be news they seek out or receive.	2.8	3.0	2.9
				The experiences of those who have been flooded are similar in emotional impact - however the long term impact can differ	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Evaluation of Rainwater Source Control Measures [SW041]	Jan-24	Quant	1108	At top-of-mind spontaneous level, damage to homes and businesses, travel disruption and having to move out of your home were the most frequently mentioned possible impacts of flooding.	2.8	3.0	2.9
				When prompted, respondents were aware of a broad range of flooding impacts, with disruption to travel, disruption to daily life, loss of possessions and damage to properties and gardens the most widely known.	2.8	3.0	2.9
				The factors which contribute to localised flooding which respondents were most aware of were blocked drains, roads not draining properly, and climate change. Notably, the factors with the lowest awareness were the lack of flood prevention measures in households and on the coast, suggesting most do not think these measures play a significant role in reducing flood impacts.	2.8	3.0	2.9
				Flooding is not a major concern and there is limited knowledge of the role of individual households in reducing impacts. - Overall, at the time of the survey most were not very concerned about flooding compared to other local issues such as infrastructure, crime and the environment. - Whilst there was high awareness of general flood risk and the increasing level of flood risk due to climate change, there was less understanding of the role of individual households in reducing flooding impacts and what to do in the event of localised flooding. - The perceived key contributors to flooding were issues with drainage and lack of measures at rivers and burns, whereas individual household measures were rated as least important of all, suggesting there is low awareness of the role households can have in reducing localised flooding.	2.8	3.0	2.9
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	76	What people understood by blocked sewer pipes? Health and safety issues – raw sewage in or out of home (many go straight to this worst-case scenario).	2.8	3.0	2.9
Community and Environment Impact [SW019]	Jun-23	Qual & Quant	2458	The most impactful scenarios [on a community/environment] for households were - Sewer flooding on a road - High-pressure water pipe burst	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Water supply interruptions - Pollution and bad/poor status of rivers used for leisure and recreation			
				The most impactful scenarios [on a community/environment] for businesses were: - Bad/poor status/pollution of rivers used for leisure and recreation* - High-pressure water pipe burst - Sewer flooding on a road - Water supply interruptions	3.0	3.0	3.0
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Important Regional/ Global Issues- They can have a significant impact but are not the sole responsibility of SW and/or not relevant to all customers. The investment areas included in this category are: • Climate Change Mitigation • Sewer Flooding • River & Coastal Water Quality	2.8	3.0	2.9
				Wastewater is less top of mind than water, people don't or don't want to think about their wastewater. Recent media coverage regarding droughts in England and sewage leaks have pushed this up the agenda.	2.8	3.0	2.9
				Many didn't equate wastewater with "sewage" - meaning they didn't take on board the health ramifications. Changing the wording to sewer flooding focused attention.	2.8	3.0	2.9
				Importance of sewer flooding – This is reasonably important; relevance was mixed as few had thought about the issue and didn't see it likely to happen to them. Those who made the connection to human waste felt it was important because of the danger it could pose to health. Others considered the impact it could have on businesses (e.g., ruin stock, close businesses permanently) or economic impact (e.g., insurance premiums)	2.8	3.0	2.9
				Business Customers [in relation to sewer flooding]- Many considering the effect on insurance premiums rising and potential damage to their business/ assets. This was a more spontaneous link for business than it was for households. They want a means of contact if this happens, so they feel like	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				they have some control over the resolution. They want personal reassurance and would want this to be local, not in a call centre.			
Waste Water and the Wider Societal Impact [SW010]	Apr-18	Qual	56	For customers, waste water flooding is the most likely incident to take place in their local area - Waste water flooding is often grouped with other types of flooding, and many feel they are linked. E.g. Heavy rainfall causing blocked pipes to backup and flood local area with sewage	3.0	3.0	3.0
				Waste Water flooding that impacts culture, tourism or heritage is considered most damaging to Scotland overall	3.0	3.0	3.0
				Those living with disabilities are most likely to worry about the impact of waste water flooding on their local community	3.0	3.0	3.0
				Waste water flooding poses the biggest threat to the individual business, but all scenarios [EPI, Bathing water, River Water Quality] have the potential to impact negatively on Scotland as a whole	3.0	3.0	3.0
Licensed Provider Perceptions of Customer Priorities [SW004]	Nov-17	Qual	12	External Sewer Flooding: Generally, most LP's were in agreement that this aspect would have a lower priority than internal sewer flooding, and that a medium priority seemed logical. There would still be an impact to business customers as a result of external sewer flooding from an access point of view. Whilst deemed fairly universal in its impact on the different types of businesses, it was felt that for schools and public amenities, this would be more of an issue. However, on balance the ranking seemed appropriate from LP's experiences.	2.5	3.0	2.8
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	The impact of outdoor sewer flooding was significantly lower than that of indoor flooding and declined with increased distance from the property. In comparison, the average Impact score measured across all four outdoor flooding scenarios was smaller than a 12-24 hour interruption of the water supply.	3.0	3.0	3.0
SR21 Customer Engagement (Business Customers) [SW012]	Jan-17	Qual	14	Scenarios least able to cope with (1-5): 3. External sewer flooding: sewage and toilet paper in the areas your staff/clients/customers walk. 1 business could easily cope.	2.8	3.0	2.9
	Aug-16		c.1350	Surface water flooding was scenario taken most seriously: it is tangible and people could place themselves in it most easily [to business customers] - The	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Understanding Views on Resilience [SW001]		Qual & Quant		main concern was their staff and their premises, rather than the wider area/community			
				Many would have to cease trading in the event of an interruption, quality or surface water scenario –with clear financial impact	3.0	3.0	3.0
				Reactions to Scenarios of interruption, quality or surface water event: Businesses dependent on water (e.g. clothing manufacturer) would be most affected –most have limited contingency and think they could operate for 24 hours. Even those with low dependence on water think they could only operate for around 72 hours			
				DOMESTIC RESILIENCE Key differences by subgroups - After considering the issues any interruption, quality or surface water event lasting 2-3 days would be perceived as a “severe event” affecting people’s routines and well being	3.0	3.0	3.0
				Rural participants thought they would have more resilience; they were more likely to have experienced e.g. adverse weather events requiring the community to pull together	3.0	3.0	3.0
YouGov Perceptions Survey	2022-2025 YTD	Quant	c. 500 HH per month		2.8	3.0	2.9

5.6.4 What are Customer Expectations of Scottish Water Regarding External Sewer Flooding?

Key Insight:

Customers recognise that external sewer flooding can have significant impact, but do not think that resolving the issue is Scottish Water's sole responsibility. They may expect Scottish Water to work in partnership with others, such as the Scottish Government, Local Authorities and housing developers to manage the issue. They also expect Scottish Water to work with the wider public to address behaviours which can cause external sewer flooding such as flushing wet wipes.

References:

20 sources have been reviewed, resulting in 38 insights, with overall scores between 2.1 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 12 sources, engaging more than 5,500 customers.

Table 26 What are customer expectations of Scottish Water regarding external sewer flooding?

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumer Scotland SRC27 Deliberative Research Phase 1 [CS065]	Apr-25	Deliberative	105 HH	Participants also highlighted areas that they believed Scottish Water needed to focus more on. These included focussing on tackling external and internal sewer flooding, repairing and replacing pipes, maintaining water quality, and ensuring that customers' supply was uninterrupted. While focussing on these areas, participants thought that Scottish Water should remain environmentally conscious.	3.0	3.0	3.0
				Some participants had heard that flushing wipes and other objects down the toilet, or putting cooking oil down drains, can clog pipes and cause issues with the waste water network. Some of these participants had learnt about this from campaigns on billboards or on TV, whilst others had personal experiences of blockages. There was a view that there is a need to further educate people about, and raise awareness of, the problems that incorrect disposal can cause.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	■ Activities to divert rainwater are welcomed but also questioned as to their effectiveness, especially in built-up areas where customers feel there are fewer opportunities to create green spaces or other drainage solutions. ■ Working with others (such as developers and local authorities) is seen as key, as customers do not see this as something that Scottish Water can address on its own. They feel it can be linked to over-development and questionable planning decisions, and they feel that Scottish Water and its customers should not be solely responsible for funding solutions. ■ NHH customers recognise the potential impact on their businesses' operation and reputation of sewer flooding in or around their premises, so they understand the importance of reducing the risk here.	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	For participants, collaboration [on managing rainwater] was seen as important but some participants expressed a lack of trust in the performance of Local Authorities and their role, commitment and investment	3.0	3.0	3.0
				[Preventing rainwater from entering sewer] The need for this plan was clearly understood with participants referencing the high levels of rainfall in Scotland. Some participants praised the idea of nature-based solutions, particularly those with an environmental interest. However, the focus on Edinburgh, Glasgow and Dundee was very divisive, particularly for Remote/Rural customers. There was a belief that investment is too often concentrated on the Central Belt to the detriment of other areas in Scotland, especially rural areas.	3.0	3.0	3.0
Long Term Investment Planning [SW055]	Oct-24	Quant	1160	Household customers also prioritised improving the three sewage service areas. Over half of customers chose the Improve+1 investment option for Spills from the sewer network (48%), Sewage treatment works (52%) and Flooding from sewers (55%).	3.0	3.0	3.0
				More generally, they [businesses] show a slightly greater willingness to allow deterioration than household customers for sewage treatment works and flooding from sewers	3.0	3.0	3.0
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	In comparison to drinking water, which is required by all, flooding from sewers was seen to affect the few, rather than the many. Therefore, many customers chose to prioritise investment in Scottish Water's other SDCs instead.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				In comparison to household customers, businesses thought flooding from sewers and water supply were more important. Some of the sample had indirect experience of sewer flooding which made it more of a priority for them.	3.0	3.0	3.0
				Those with experience of flooding in their area or who regularly visited coastal areas were more likely to prioritise these service areas.	3.0	3.0	3.0
				In common with spills from the sewer network SDC, customers liked the wording and connotations of the 'nature-based solutions' phrase in the water sector vision. They felt that Scottish Water should use this phrase and tell people about these solutions.	3.0	3.0	3.0
				Customers felt that the public is responsible for wastewater flooding too and wanted Scottish Water to help them so they could help the country. For example, several customers recalled the Scottish Water advertisements that discourage the flushing of wipes.	3.0	3.0	3.0
Flooding Mitigation Policy [SW057]	Jun-24	Qual	c.55	Updating the network is perceived to be Scottish Water's responsibility, but as they have inherited the legacy of urbanisation (particularly in Edinburgh), the fact that this contributes to flooding is not seen as their fault.	2.8	3.0	2.9
				Customers say they would benefit from more proactive communication from Scottish Water about flooding events.	2.8	3.0	2.9
				Customer expectations of who should take responsibility for sewer flooding are contingent on several factors Previous experience: - With experience: expect Scottish Water to clean up and resolve the underlying problem. - Without experience: wouldn't expect Scottish Water to clean up. Would tend to call the fire brigade as they wouldn't know who else to call Housing status - Home owners: Some expect the council to be responsible (as water bills are paid through their council tax). Others expect themselves/their water company to be responsible	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Renters: expect the landlord/factor to be responsible - Social housing: expect the housing association/council to be responsible Flooding type - Internal sewer flooding: feel as though they have partial responsibility - External sewer flooding: tend to think that someone else is responsible e.g. the council			
				Businesses have a clearer understanding of responsibility and who to contact, but feel responsibility is passed around. Most business owners don't own their premises, but they may accept partial responsibility depending on the cause of the flood. They find themselves part of what one participant called a 'hate triangle' of responsibility with everyone passing the buck: - Landlord: doesn't respond - you can't rip out the skirting board until they respond and give permission - Insurance: won't deal with it - you can't throw away broken furniture until the insurer has seen it - Scottish Water: cause of flood is unclear	2.8	3.0	2.9
				[Once prompted with responsibilities] Most were surprised by the wide range of organisations involved in dealing with sewer flooding and the extent of Scottish Water's responsibilities.	2.8	3.0	2.9
				Overall feedback on the [flooding mitigation] policy: - Customers understand climate change and how this will likely impact flooding - Although the feedback was not necessarily negative, a number of elements in the current policy caused a lot of confusion and acted as barriers to customers fully understanding it - As a result, this meant people struggled to evaluate this policy in conjunction with all the other areas of investment Scottish Water are responsible for.	2.8	3.0	2.9
				There is a clear consensus on who should be prioritised under this [flooding mitigation] policy, focusing on vulnerable audiences	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- There is a consensus that everyone who is impacted by flooding (regardless of severity and degree) should receive help. However, prioritisation of those most impacted should come first, and then vulnerable audiences. - Defining those classed as vulnerable comes with some difficulty, but it is ultimately understood as the elderly, those with children, those who are immobile, or those with a physical health problem. - Financial stability is a factor that contributes to the perception of prioritisation. Ultimately, if someone is deemed to struggle financially, they should be prioritised over those who are financially stable.			
Evaluation of Rainwater Source Control Measures [SW041]	Jan-24	Quant	1108	The local authority was most often deemed to have ultimate responsibility for managing flooding in local areas. Scottish Government was also considered to have responsibility by one fifth. Local residents and businesses were least likely to be deemed responsible for managing flooding.	2.8	3.0	2.9
				Local authorities, SEPA and Scottish Water were considered key points of contact for further information on the risk of flooding in local areas and for support in the event of flooding.	2.8	3.0	2.9
				There were high levels of awareness of the impacts of climate change on flood risk and the increasing likelihood of extreme weather events in local areas. However, there was much lower understanding around how individuals can reduce flood risk in their local area and what to do when there is flooding locally.	2.8	3.0	2.9
Understanding expectations of Service Level Agreements (SLAs) [SW053]	Aug-23	Qual	76	SW's role in blocked sewer pipes: Some confusion around when this would be SW's responsibility. First point of contact for this issue is unclear, most would go straight to the plumber.	2.8	3.0	2.9
				Timescale expectations for blocked sewer pipes: - Urgent (ASAP): Expect immediate response in the case of sewer flooding internally or externally and expect Scottish Water to 'drop everything' to attend to this issue. - Less urgent (24 hours): In less severe cases, customers are accepting of longer timescales but would still expect the issue to be attended to in the same day.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				SW timescales: 4 hours (urgent) / 1 day (non urgent)			
				Customers struggled to think of a non-urgent example of this service issue [blocked sewer pipes] due to the health and safety aspect of this service issue. They felt that attendance should be prioritised regardless of the time of day.	2.8	3.0	2.9
				Businesses [about blocked sewer pipes]: Expectations varied according to their ability to 'shut off' the area within their business premises, if they are customer facing. Food manufacturers could potentially be liable for fines as they need proof of hygiene.	2.8	3.0	2.9
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Important Regional/ Global Issues- They can have a significant impact but are not the sole responsibility of SW and/or not relevant to all customers. The investment areas included in this category are: • Climate Change Mitigation • Sewer Flooding • River & Coastal Water Quality	2.8	3.0	2.9
				What is Scottish Water's role in Sewer Flooding? - Many thought this area had shared responsibility, with for example the Local Authority and/or Housing Developers bearing a responsibility to ensure buildings are sited correctly with the right infrastructure. Local planning needs to keep an eye on flood plains; if there is no natural drainage around more water goes into sewers which can be overwhelmed.	2.8	3.0	2.9
Waste Water and the Wider Societal Impact [SW010]	Apr-18	Qual	56	During a waste water flooding incident there is a priority to protect human health & resolve issues quickly	3.0	3.0	3.0
				Scenarios that flood internally or repeatedly flood are considered high priority investment areas	3.0	3.0	3.0
Impact Research: Customer Priorities of Service Impacts [SW003]	Aug-17	Quant	1405	Household participants were given 30 seconds to name up to three things that Scottish Water should concentrate on in the future. - Safe, clean drinking water - fresh, pure etc (18%) - Water quality - taste, smell etc (12%)	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Sewage/sewer flooding (8%)			
Understanding Views on Resilience [SW001]	Aug-16	Qual & Quant	c.1350	As with domestic customers in a flood, a coordinated response would be expected from the local authority, licensed providers, Scottish Water, insurance companies and potentially emergency services depending on seriousness	3.0	3.0	3.0

5.6.5 *What are Customer Perceptions of Surface Water Management Measures?*

Key Insight:

Customer generally do not have high awareness of surface water management, with low awareness of household rainwater source control measures, and low awareness of larger schemes such as SUDS. Customers may have heard of, or have seen, some approaches, but might not have connected them to managing surface water and flooding. Once explained, customers are supportive of the use of blue-green infrastructure and like the wording and connotations of the phrase ‘nature-based solutions’. They are positive about the community and environmental benefits of these approaches.

There can be some concerns around the practicalities, effectiveness and costs of blue-green approaches. Customers acknowledge that a mix of blue-green and traditional engineering solutions is needed to tackle surface water flooding in Scotland. Customers expect Scottish Water to take a proactive approach, with more investment, partnership working and making use of local knowledge.

References:

9 sources have been reviewed, resulting in 51 insights, with overall scores between 2.3 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 7 sources, engaging more than 1,000 customers.

Table 27 *What are customer perceptions of surface water management measures?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	■ Activities to divert rainwater are welcomed but also questioned as to their effectiveness, especially in built-up areas where customers feel there are fewer opportunities to create green spaces or other drainage solutions. ■ Working with others (such as developers and local authorities) is seen as key, as customers do not see this as something that Scottish Water can address on its own. They feel it can be linked to over-development and questionable planning decisions, and they feel that Scottish Water and its customers should not be solely responsible for funding solutions. ■ NHH customers recognise the potential impact on their businesses' operation and reputation of sewer flooding in or around their premises, so they understand the importance of reducing the risk here.	3.0	3.0	3.0
SR27 Customer Expectations [SW060]	Mar-25	Qual	127	For participants, collaboration [on managing rainwater] was seen as important but some participants expressed a lack of trust in the performance of Local Authorities and their role, commitment and investment	3.0	3.0	3.0
				[Preventing rainwater from entering sewer] The need for this plan was clearly understood with participants referencing the high levels of rainfall in Scotland. Some participants praised the idea of nature-based solutions, particularly those with an environmental interest. However, the focus on Edinburgh, Glasgow and Dundee was very divisive, particularly for Remote/Rural customers. There was a belief that investment is too often concentrated on the Central Belt to the detriment of other areas in Scotland, especially rural areas.	3.0	3.0	3.0
Long Term Investment Planning [SW054]	Oct-24	Qual	c.50	In common with spills from the sewer network SDC, customers liked the wording and connotations of the 'nature-based solutions' phrase in the water sector vision. They felt that Scottish Water should use this phrase and tell people about these solutions.	3.0	3.0	3.0
Flooding Mitigation Policy [SW057]	Jun-24	Qual	c.55	Generally, awareness of all the mitigation measures is low (or minimal at best), and customers are not initially clear on how they function. There is a misconception that multiple measures need to be installed for both internal and external flooding to be mitigated against effectively.	2.8	3.0	2.9
				Customers were unsure how much each measure cost, but they were assumed to be expensive. The air brick and non-return valve were thought to be the least expensive of the measures. Amongst the business community	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				there is some indication that the short-term cost is deemed worthwhile to provide strong flooding protection over the long term.			
				Scottish Water are seen to hold most of the responsibility in terms of the installation and maintenance of measures. There is a clear line of responsibility for the installation and maintenance of mitigation measures. As flooding is a water related issue, customers believe Scottish Water should be responsible. There is also the perception that the council may have a part to play, particularly if the flooding occurs outside.	2.8	3.0	2.9
				However, amongst homeowners, there is some discrepancy with the overall customer population. There is the belief that flooding can be the homeowner's responsibility if it is within their home boundary (which they understand to be within the home), as well as Scottish Water's. Both homeowners and Scottish Water should work collaboratively to mitigate flooding. Some individuals also mentioned communities playing a role in keeping drains clear of leaves to stop them getting blocked.	2.8	3.0	2.9
				The overall look and expense of mitigation measures reduces customer willingness to put them in place.	2.8	3.0	2.9
				However, customers are ultimately receptive to mitigation measures if they are offered them. A minority of customers see the mitigation measures as merely 'putting a plaster on a bullet hole wound' and not addressing the root issue of upgrading infrastructure to improve drainage systems.	2.8	3.0	2.9
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	Participants were positive about the potential for blue-green infrastructure solutions to improve surface water drainage. The multiple community benefits of this approach stood out, as well as the opportunity to involve communities more in the process. However, there were some concerns around the practicality and effectiveness of this across different areas. While participants acknowledged that in certain cases, more 'traditional engineering' solutions might be the most practical option, there were also concerns around expense and disruption.	2.8	3.0	2.9
				Behaviour change was widely seen as an important part of minimising the risk of surface water flooding. Participants identified various motivations and barriers in relation to the two priority behaviour discussed: not paving over outdoor space and installing a water butt.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				Participants felt that raising awareness needs to be coupled with a broad range of actions to support people in making changes. These included: providing information about what the necessary water-related behaviour changes are and guidance on how they can be carried out in practice, how behaviours can be changed, and the positive impacts of alternative behaviours; harnessing new technology to make it easier for people to make more water-efficient choices; and stricter product standards for manufacturers and developers.	2.8	3.0	2.9
				Overall, participants acknowledged that a mixture of both blue-green infrastructure and hard engineering solutions would be needed to tackle surface water flooding in Scotland. There was a call for a more pro-active approach, with more investment, partnership working and use of local knowledge.	2.8	3.0	2.9
Evaluation of Rainwater Source Control Measures [SW041]	Jan-24	Quant	1108	There was generally low awareness of household rainwater source control measures. - The measures with highest levels of awareness were water butts and trees, with other measures having relatively low levels of awareness. However, those with at least one measure installed were more likely to know about the other measures, suggesting installing one measure may be a gateway to gaining knowledge about others. - Excluding trees, two fifths of respondents had at least one measure installed, most often water butts or permeable paving. Planting trees, installing permeable paving and in-ground rain gardens were viewed as having the greatest impact on reducing the risk of localised flooding.	2.8	3.0	2.9
				Measures are typically used to manage rainwater, but considerers need more information before installing. - Reasons for installing measures varied depending on the type of measure, however the most common reasons included managing rainwater, reducing flooding risk and supporting wildlife. - The measures which respondents were most likely to consider installing in the future were water butts, rain garden planters and permeable paving. Notably, younger respondents under 45 years were more likely to consider installing all measures except water butts. - Affordable cost, having enough clear information about measures and ease of installation were considered to be the most important factors to encourage	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				people to consider installing a measure. Based on this, it appears that consumers would be open to considering a range of measures but would like more information before deciding on whether to install them.			
				The main barrier to consideration of installing measures would be cost, both of installation and maintenance. A lack of knowledge and skill was also mentioned by significant proportions as a barrier.	2.8	3.0	2.9
				Three in five respondents had rainwater source control measures installed in their household or garden, however this reduced to two in five when excluding trees. The measures to reduce flooding impacts that respondents were most aware of were water butts, trees and permeable paving.	2.8	3.0	2.9
				The measures which were considered to have the highest impact on reducing the risk of flooding were planting trees, permeable paving and in-ground rain gardens. Opinion tended to be split on the effectiveness of the other measures shown.	2.8	3.0	2.9
				An in-ground rain garden was the most likely measure to be installed to manage rainwater and/or prevent flooding, followed by green roofs and rain garden planters. Supporting wildlife was also a popular reason for installing a green roof.	2.8	3.0	2.9
				Over half of those who had installed bog gardens, water butts and permeable paving reported that they were chosen to manage rainwater and/or prevent flooding. Bog gardens are also often installed to support wildlife, while water butts are most often used to water the garden.	2.8	3.0	2.9
				Ponds and trees were less likely to have been installed with rainwater control or flooding in mind. These tended to be installed to support wildlife and for aesthetic purposes. Trees were also often already in the garden when respondents moved in.	2.8	3.0	2.9
				The rainwater source control measures that respondents were most likely to consider installing were water butts, rain garden planters and permeable paving. The measures which were least likely to be considered were bog gardens, green roofs and ponds.	2.8	3.0	2.9
				All the factors tested were viewed as important when considering installation. However, affordability, clear information about how measures work, ease of	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				installation, understanding of effectiveness and maintenance instructions were the key considerations			
Encouraging engagement and adoption of Blue and Green Solutions – Prestwick & Bridge of Weir [SW029]	Mar-21	Qual	57	There is a need to increase people's knowledge and understanding of Blue and Green solutions 1. Some have not heard of them 2. Some have heard of certain solutions, but didn't connect them to flooding 3. Some assume the solutions would be larger, infrastructure changes	2.8	3.0	2.9
				Residents [in Prestwick & Bride of Weir] do not understand how porous driveways work or how they can reduce excess surface water flooding. Communication on how porous driveways work to mitigate excess surface water flooding and what impact this has on other areas is needed	2.8	3.0	2.9
				Awareness of different material options amongst those already looking for a new drive must be raised.	2.8	3.0	2.9
				Residents [in Prestwick & Bride of Weir] need to understand how planters and ponds work, and reassurance on their impact. Communication on how they function, store and drain water without saturating plants or gardens is needed e.g. highlight the drainage valve and under storage	2.8	3.0	2.9
				Planters have more appeal than ponds as they look more appealing and are seen as safer and more practical. Although planters are more visually appealing, there is still work to do in sparing and encouraging interest.	2.8	3.0	2.9
				Initially target those who already have an interest in gardening and nature.	2.8	3.0	2.9
				Whilst grass drives are considered unpractical for, bitumen and brick options have more appeal. Porous drives are seen to be a large and expensive commitment. Reassurance on individual benefit is needed.	2.8	3.0	2.9
				Communal solutions have appeal as they require the least amount of individual investment and understanding.	2.8	3.0	2.9
				Whilst preferred overall, these [Blue/Green] solutions would still need to work with the space and 'feel' of each area.	2.8	3.0	2.9
				As these [Blue/Green] solutions are very visible, there is an opportunity to use them as a springboard for further engagement.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				There is an assumption residents would be consulted first, and that local maintenance measures would be put in place.	2.8	3.0	2.9

5.7 Climate Change Mitigation

5.7.1 What are Customer Views on Climate Change?

Key Insight:

Climate change is acknowledged as an important issue by many customers, who can have concerns about the impact of climate change on the natural environment. A sense of urgency has been prompted for some by severe weather events, and younger people in particular can feel anger at the damage that has already been done. Customers look to governments and businesses to provide leadership and guidance on tackling climate change, and to lead by example. Many customers report that they are already doing what they can to address climate change, whilst others are less certain about what they can personally do to help.

References:

7 sources have been reviewed, resulting in 30 insights, with overall scores between 2.3 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 4 sources, engaging more than 5,500 customers.

Table 28 *What are customer views on climate change?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Consumers and the transition to net zero [Consumer Scotland] [CS036]	Sep-23	Quant	2269	Most consumers in Scotland (77%) are concerned about climate change, with one in five (21%) stating they are unconcerned, and fewer than one in 10 (9%) stating they are not at all concerned	2.8	3.0	2.9
				Many consumers in Scotland are concerned about climate change, but many report they are already doing what they can to help tackle the problem or they do not know what they need to be doing to help Scotland achieve net zero or to adapt to those climate change impacts that are unavoidable.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				A third of consumers (34%) agree they know what they need to do to help Scotland reach net zero, a third disagree (33%), and a further third (34%) state they are unsure.	2.8	3.0	2.9
				Consumers look to governments, businesses and regulators to provide the leadership, guidance and solutions for tackling climate change. The result is that many consumers do not see themselves as a central part of the current narrative around adapting to a changing climate or the transition to net zero.	2.8	3.0	2.9
				For many consumers sustainable behaviours are viewed as either unaffordable or niche, so they can lack widespread appeal. More work is required therefore on making sure the more sustainable alternatives are both affordable and accessible. Only then will they compete with the less sustainable but more familiar options that dominate current behaviours and practices.	2.8	3.0	2.9
				The barriers consumers report they face in relation to decarbonisation and net zero vary depending on the sector and/or the particular set of behaviours being asked about. But across markets it is clear a lack of reliable information is making it difficult for consumers to fully understand the issues and as a result make informed choices.	2.8	3.0	2.9
Community and Environment Impact [SW019]	Jun-23	Qual & Quant	2458	Household participants were concerned about the impact of climate change [on habitats and the natural environment] with 77% being at least somewhat worried. Level of worry over the impact of climate change: - 27% Very worried - 50% Somewhat worried - 14% Neither worried nor unworried - 4% Somewhat unworried - 4% Not at all worried	3.0	3.0	3.0
				76% of businesses are at least somewhat worried about the impact of climate change [on habitats and the natural environment]. - 31% Very worried - 45% Somewhat worried	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- 15% Neither worried nor unworried - 3% Somewhat unworried - 6% Not at all worried			
				Who is concerned about climate change? - Women are more concerned about the impact of climate change than men - SEGs C and D are more uncertain or ambivalent about the impact of climate change with significantly more saying they are "neither worried nor unworried" than SEG's A and B - People living in remote areas are more likely to say they are not worried about climate change compared with people in rural or urban areas	3.0	3.0	3.0
				Environmental actions taken [by households] to combat the impact of climate change or our impact on habitats and the natural environment: - 86% recycling / re-using waste - 68% reducing consumption and waste - 66% reducing the amount of electricity/gas/water used - 51% walking, cycling or taking public transport wherever possible - 25% avoiding flying / air travel - 14% eating vegetarian / vegan food - 8% owning an electric, rather than petrol/diesel vehicle - 4% other	3.0	3.0	3.0
Future Strategy [SW008]	Oct-19	Qual	121	A few younger and more environmentally aware participants said they were not surprised by the challenges. Underlying this was a sense of anger at how much damage has been caused to the planet already and a view that urgent action was needed now to combat climate change	2.7	3.0	2.8
Wider Environment - SR21 Environmental Priorities [SW006]	May-19	Qual & Quant	1102	Climate change is recognised as a global issue, one that everyone has a part to play in combatting. Customers gave examples of small changes they can make which if everyone did the same could make a bigger difference, such as using a reusable water bottle or reusable shopping bags. Single use plastic consumption was top of mind for many, particularly younger customers. Customers believe big businesses and government should lead by example in making efforts to reduce their	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				carbon outputs and publicising what they are doing, to encourage others to do the same.			
				Climate change was acknowledged by most as an important issue. There were several spontaneous references in the discussions to recent weather incidents – the mild winter, the early spring, unusual heatwaves, and last year's 'Beast from the East' storm – and the prospect of detrimental future change.	3.0	3.0	3.0
				There was some anxiety about what could meaningfully be done in Scotland when the issue is global, although in the main the perceived urgency reinforced the value of any action to combat the consequences.	3.0	3.0	3.0
				Younger people, in particular, pointed out that their generation was more attuned to environmental issues and the impact that customer choices can have on businesses.	3.0	3.0	3.0
				Customers were most likely to agree that everyone is responsible for our resources, and that they make a conscious effort to recycle. Companies as well as individuals were expected to take a role in reducing environmental impact if significant change can be made. However, customers were least likely to want to pay more for environmentally friendly products showing there is still some reluctance to put themselves out personal for the wider good.	3.0	3.0	3.0

5.7.2 What are Customer Expectations of Scottish Water's Carbon Footprint?

Key Insight:

Many customers look to Governments and businesses to bear the most responsibility for reducing carbon emissions. Many customers also expect companies to act as good corporate citizens in this respect with environmental sustainability being a key factor in finding an organisation admirable.

Customers are generally supportive of Scottish Water's Net Zero ambitions, resonating most with younger customers, but also with older customers who are concerned for future generations. Business customers support Scottish Water taking accountability for carbon neutrality and feel that the level of ambition is fair.

Expectations for investment are more variable. Investing to adapt to effects of climate change (e.g. increased droughts), can be seen by some customers as addressing the symptom, rather than solving the root cause. Other customers accept that reducing carbon emissions is important but place a higher priority on Scottish Water's core services. Customers can also be uncertain about the need to invest solely to reach carbon targets, with our most recent research indicating that there may be signs of 'target' fatigue from some customers. However future customers, and those with a more environmental outlook, still see this as a priority and are wary of society in general not moving forward quickly enough in this area.

References:

11 sources have been reviewed, resulting in 45 insights, with overall scores between 2.1 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores between 2.8 and 3.0. These are derived from 8 sources, engaging more than 4,500 customers (excluding YouGov Perceptions Survey).

Table 29 *What are customer expectations of Scottish Water's carbon footprint?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
SR27 Reconvened Groups [SW061]	Apr-25	Qual	54	■ Regardless of their acceptance of the wider need to lower carbon emissions customers tended to feel uncertain about the need for investment in this area as a priority, on the basis it feels less pressing than some of the other challenges discussed and a sense that the 2040 target is unrealistic. ■ The timescale is felt to be unrealistic due to being only partially under SW's control. Customers feel there would need to be certain commitments or activities on behalf of the Scottish Government, the electricity network and perhaps other agencies to ensure this happens. ■ There is also some emerging fatigue around a perception of target setting for the sake of it, and a sense that businesses are being pressured to do this and then having to move their target dates back.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				■ There was more support from some future customers and those with a more environmental outlook, who see the wider aim of addressing climate change as a priority and are wary about society in general not moving forward quick enough in this area. ■ The suggested activities outlined by Scottish Water are welcomed and partnership with other agencies (forestry commission, charities etc.) is suggested. ■ However, some doubted the effectiveness of creating woodlands and land management in achieving the 2040 goal, as they feel this would take longer. And some customers across groups felt that even if Scottish Water achieve their goal this is a small proportion of what needs to happen worldwide in order to address the wider issue of carbon emissions. ■ Some asked how much of investment expenditure would be spent on technology and innovation to help reduce carbon emissions from Scottish Water's processes, as this is felt to be a positive move.			
				Net Zero Carbon Emissions Impact of additional information: The detailed information regarding Scottish Water's net zero commitments, the breakdown of current carbon emissions, and the proposed activities to meet the target helped participants gain a clearer understanding of the current situation.	3.0	3.0	3.0
Consumers and the transition to net zero [Consumer Scotland] [CS036]	Sep-23	Quant	2269	Consumers rank the Scottish and UK governments and businesses as having most responsibility for reducing emissions, followed by organisations that regulate markets. Consumers are ranked as having least responsibility.	2.8	3.0	2.9
				A third of consumers (34%) agree they know what they need to do to help Scotland reach net zero, a third disagree (33%), and a further third (34%) state they are unsure.	2.8	3.0	2.9
				Consumers rely mostly on news media and local/national government for information about services. Almost a third (31%) of energy consumers look mostly to the news media for information. Around a quarter (24%) of water consumers look mostly to local authorities for information.	2.8	3.0	2.9

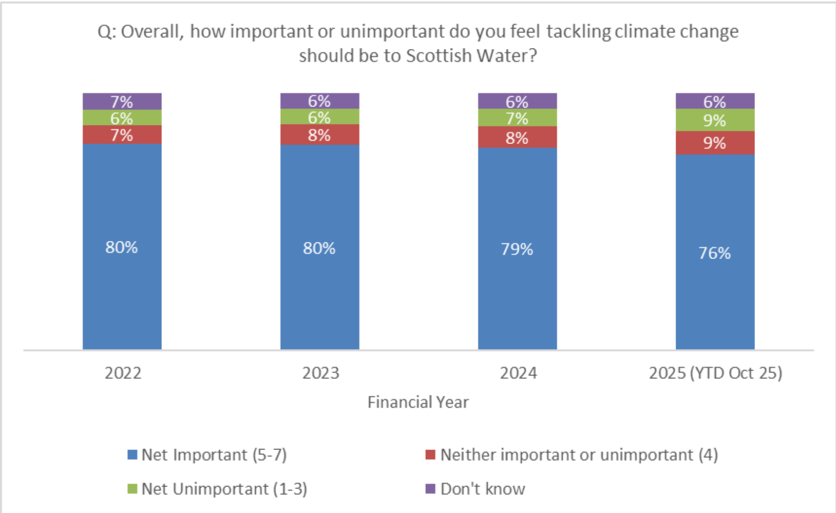
Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				A lack of reliable trustworthy information is making it difficult for many consumers across all of the markets we looked at to fully understand the issues and from there make informed choices that leads to changes in behaviour.	2.8	3.0	2.9
				Consumers look to governments, businesses and regulators to provide the leadership, guidance and solutions for tackling climate change. The result is that many consumers do not see themselves as a central part of the current narrative around adapting to a changing climate or the transition to net zero.	2.8	3.0	2.9
Strategic Plan Research [SW021]	Aug-23	Qual	66	Support for Scottish Water focusing on the 3 key outcomes in the pre-task was high for both HH (89% agree) and NHH customers (78% agree). The most common reason given for both groups was concern about climate change, followed by a general level of support for futureproofing. HHs felt that these areas were already part of Scottish Water's responsibilities, and should continue to be a focus, whilst NHHs restated a desire for higher-quality water	2.8	3.0	2.9
				The key characteristics for a company to be admirable were largely focussed around sustainability or going 'above and beyond' the service offered. Some of the companies mentioned included Tesla, a company that is constantly looking to move forward, Scottish Power, as they were looking at renewable energy and 'Who Gives a Crap', a company whose brand is centred around the environment	2.8	3.0	2.9
				When asked about Scottish Water transforming its greenhouse gas and carbon emissions, the majority agreed this should be a key area of focus. HH customers were pleased that Scottish Water was striving to go 'above and beyond' to further reduce the amount of carbon in the atmosphere after 2040, and felt Scottish Water was being proactive in trying to get there. There were a few HHs, however, that felt these were steps that every business should be taking, especially those as large as Scottish Water, so were less impressed by the objective overall.	2.8	3.0	2.9
				NHHs agreed it is important [net-zero by 2040], and were happy Scottish Water is looking to be accountable for the carbon emissions, but some were a little cynical as to whether or not Scottish Water would achieve it. They also, again, wanted to see more details about the steps that Scottish Water would take, including specific examples. They felt the	2.8	3.0	2.9

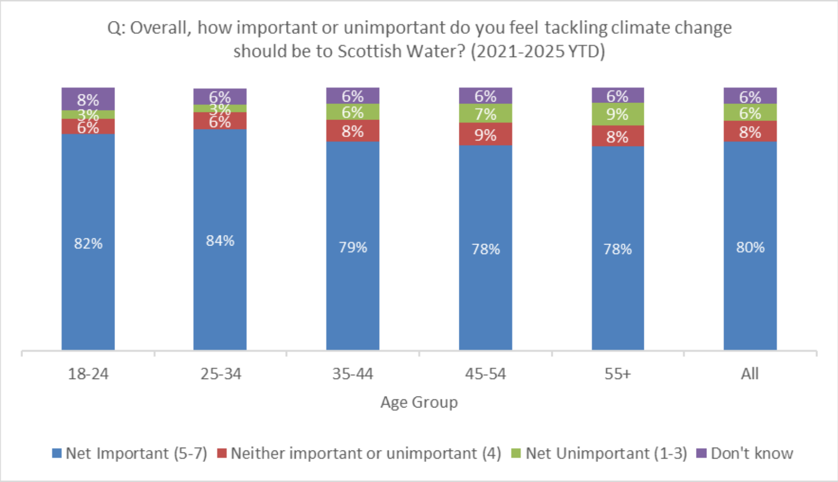
Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				level of ambition was fair, given some companies were aiming to be net zero by 2030, so allowing themselves until 2040 would mean they could go further than net-zero. - HH customers largely felt it was achievable, given the time they have to deliver against it. They felt it was good to set an achievable timeline and meet it, rather than be overly aggressive and fail to deliver.			
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	Important Regional/ Global Issues- They can have a significant impact but are not the sole responsibility of SW and/or not relevant to all customers. The investment areas included in this category are: • Climate Change Mitigation • Sewer Flooding • River & Coastal Water Quality	2.8	3.0	2.9
				Importance of Climate Change Mitigation – Climate Change Mitigation is seen as vital by most and part of the role any good corporate citizen should be playing - most thought that climate change connected all other issues. Future Customers saw this as most important; older customers were less engaged – some admitting self-interest here. A handful did not believe in climate change. Climate Change Mitigation was related to the Scottish Government's National Outcomes for Scotland to value, enjoy, protect, and enhance our environment.	2.8	3.0	2.9
				What is Scottish Water's role in Climate Change Mitigation? – There is an expectation for Scottish Water to be acting on this already. Many think that everyone has a responsibility to act (personal or business). For most this is something all organisations should be working on already.	2.8	3.0	2.9
				Business Customers [in relation to climate mitigation] – This audience understand this better than household customers and are quicker to grasp the mitigation concept and place higher importance on it happening. They are more pragmatic as well, there is an associated cost, and they believe it needs to be prioritised appropriately. They think you need to deliver the day-to-day first and don't over-invest on this.	2.8	3.0	2.9
				Is there anything missing [in climate change mitigation plan]? – There were links to customer behaviour change on water use (e.g., hosepipe bans). SW should publicise how they live up to CCM goals and act as a	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				good corporate citizen – meaning when the time comes for customers to change their behaviour SW can point to their own good example.			
				Importance of water supply resilience – This is important, with two caveats: - Relevance: Scotland is a wet country and people don't associate droughts with Scotland. People think of lochs and reservoirs and assume it is not an issue for Scotland due to the perceived abundance of water. - A symptom, not the cause: This is perceived as related to climate change, they think we should address climate change to address resilience	2.8	3.0	2.9
Future Strategy [SW008]	Oct-19	Qual	121	Climate change considerations resonated particularly strongly with some younger customers (those aged 16 to 28), who demonstrated more of a shift in opinion in response to information about net zero emissions targets than older customers did. With the exception of younger customers in Dundee, who remained concerned about affordability, those in other locations emphasised the importance of action being taken to respond to climate change	2.8	3.0	2.9
				While not a dominant view, it was further suggested that climate change consideration should be the responsibility of Scottish Water as an organisation to respond to and fund, rather than being paid for by customers – in spite of customers having been told that Scottish Water's funding was made up of income from customer payments and borrowing from government.	2.8	3.0	2.9
				Some felt that becoming carbon neutral was particularly important, given how much energy Scottish Water uses. Others were worried about the increasing amounts of organic matter in source waters.	2.8	3.0	2.9
				Which areas are the most important for Scottish Water to invest in over the next 25 years? - 30% Reliable service - 28% Making things last - 27% Climate Change - 18% Tackling Climate Change	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- 9% Protecting water services against the impact of climate change - 10% Innovative approaches - 5% Enhancing the natural environment			
				[Scottish Water acting to tackle] climate change was recognised as a major concern by customers across all age groups, especially those in the 16-28 age group	2.8	3.0	2.9
				Customers in the middle (29-49) and older (50+) age groups also spoke of the practical benefits, such as using waste to generate energy or reducing energy costs for Scottish Water.	2.8	3.0	2.9
				While most in these groups [29-49 and 50+] felt [Scottish Water] tackling climate change was important, this perception related more to the benefits for their children and grandchildren which meant it was worth acting to tackle this now, than to a particular passion for the issue. In contrast, younger participants (16-28) especially those in rural locations, expressed a greater sense of urgency; in their view, the impacts of climate change were already being felt, and considerable changes were needed as soon as possible.	2.8	3.0	2.9
				Views on Scottish Water's role in tackling climate change and protecting water services against the impact of climate change were mixed and reflected businesses' underlying attitudes towards environmental responsibilities more generally. Businesses acknowledged that efforts to tackle and respond to climate change impacts were important for all organisations and some welcomed the idea of Scottish Water making effort in both these areas, even stating that it was an issue Scottish Water had 'no choice' but to respond to.	2.8	3.0	2.9
				Environmental concerns were mentioned as a key part of behaving ethically. Customers expected Scottish Water to be sustainable, to work towards being zero carbon and to use ethically sourced materials.	2.8	3.0	2.9
Understanding Legacy [SW007]	May-19	Qual & Quant	1068	% agree: It is more important to focus on fixing current problems than it is to think about sustainability and renewable energy - Current Bill Payers: Agree 28%, Disagree 39%, Neutral 31%, Don't know 1%.	2.7	3.0	2.8

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- Future Bill Payers: Agree 11%, Disagree 62%, Neutral 24%, Don't know 3%.			
				Carbon neutrality is a key focus for many customers. As more companies take this approach, it is becoming an expectation	2.7	3.0	2.8
				% who feel a slight increase in water charges is justified: (Total, Current, Future) - Respond to the challenges of climate change by contributing to Scotland's aim to be carbon neutral (43%, 41%, 69%)	2.7	3.0	2.8
				Those with vulnerabilities are more willing to pay more for: Respond to the challenges of climate change by contributing to Scotland's aim to be carbon neutral (46% vs 38%)	2.7	3.0	2.8
Wider Environment - SR21 Environmental Priorities [SW006]	May-19	Qual & Quant	1102	-Only 32% of customers agree that Scottish Water do a lot to help climate change and protect the environment, but interestingly, 26% of customers answered that they 'Don't know'. -There was a general feeling during the focus groups that Scottish Water need to 'shout about' the work they do in this area a little more, and these results support this. -31% of customers agreed that Scottish Water should reduce their burden on the environment, even if they have to charge more to do it, leaving the impression that customers would be less willing to pay any extra in their bills. -Only 20% of customers believed Scottish Water should let others worry about the environment, with 30% disagreeing, showing that customers do believe Scottish Water have a role to play.	3.0	3.0	3.0
				Some pointed out that businesses are likely to have more impact than customers and should lead by example, reinforcing the more general environmental attitudes measured in the customer survey	3.0	3.0	3.0
				Younger customers chose to prioritise using land to reduce Scottish Water's carbon footprint along with reducing the overall energy of Scottish Water increasing the proportion of renewable energy use	3.0	3.0	3.0
				The concept of a carbon footprint is familiar to most. The idea of clean energy and carbon accounting was supported as part of ongoing long-	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				term business planning by Scottish Water and, indeed, all organisations. It is worthwhile in itself, and it also sets a good example to others, especially the energy sector, but also to customers.			
				The solar panels idea, with its illustration of a Scottish Water site, was more easily digested than the Capital Carbon Accounting Tool (CCAT), although some SMEs said they found hard data, as in the CCAT example, more persuasive	3.0	3.0	3.0
				A few questioned the relative cost effectiveness in Scotland of solar panels versus wind turbines, and a few bemoaned the visual impact of turbines.	3.0	3.0	3.0
				There were some differences in levels of agreement between domestic customers and SMEs. The biggest difference is for concern around the pollution effect of cars, where 66% of domestic customers agree they do, compared to only 44% of SMEs	3.0	3.0	3.0
				The research participants considered sustainability in the water industry to be about balancing measures that are realistic to implement (and with low effort on their part), with protection of the environment.	3.0	3.0	3.0
YouGov Perceptions Survey	2022-2025 YTD	Quant	c. 500 HH per month		2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
					2.8	3.0	2.9

5.7.3 *What are Customer Expectations of Scottish Water Protecting and Improving Scotland's Natural Environment?*

Key Insight:

The natural environment in Scotland is perceived by customers to be one of Scotland's greatest assets, with rivers and coastlines particularly identified as an important part of Scotland's national character. Customers expect Scotland's natural environment to be protected for social and economic reasons, in addition to nature and ecosystems.

As a publicly owned company, customers expect Scottish Water to care about the environment and to be sustainable. Customers are positive about Scottish Water objectives around enhancing the natural environment, with some customers pleased to see Scottish Water going 'above and beyond' their perception of standard water company operations. Some customers can be uncertain about how much responsibility Scottish Water can or should take in enhancing the natural environment. This uncertainty, combined with customers' perception that Scotland is already beautiful, can mean that this can be less of an immediate concern for customers in comparison to what are seen as core services. However, when customers are informed of the work that Scottish Water does in this area they respond positively and want Scottish Water to share information about these inherently interesting and impressive initiatives more widely.

References:

8 sources have been reviewed, resulting in 29 insights, with overall scores between 2.1 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 5 sources, engaging 1,358 customers (excluding YouGov Perceptions Survey).

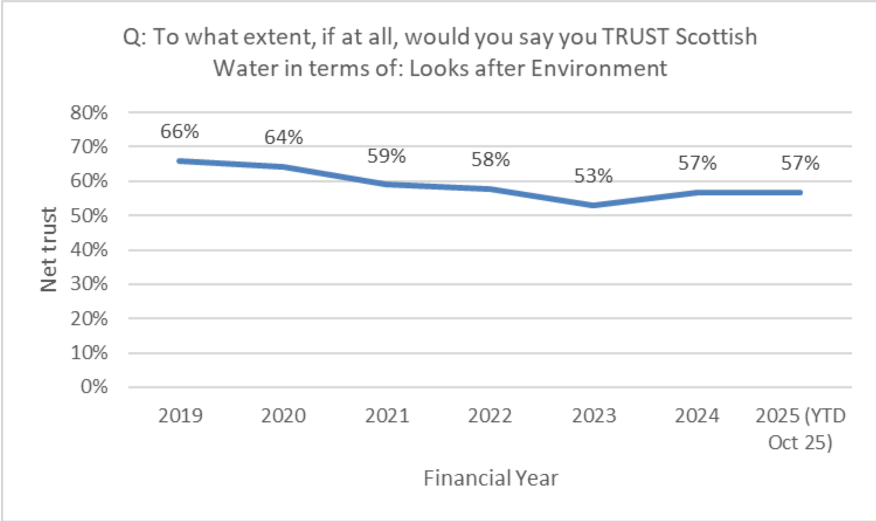
Table 30 *What are customer expectations of Scottish Water protecting and improving Scotland's natural environment?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Strategic Plan Research [SW021]	Aug-23	Qual	66	Support for Scottish Water focusing on the 3 key outcomes in the pre-task was high for both HH (89% agree) and NHH customers (78% agree). The most common reason given for both groups was concern about climate change, followed by a general level of support for futureproofing. HHs felt that these areas were already part of Scottish Water's responsibilities, and should continue to be a focus, whilst NHHs restated a desire for higher-quality water	2.8	3.0	2.9
				After being shown the list of 10 objectives, both HH and NHH customers felt that the most important objectives for Scottish Water to focus on were delivering consistently excellent water supply, as well as keeping services affordable. HHs additionally felt that enhancing the natural environment was important, while NHHs brought up embracing the circular economy.	2.8	3.0	2.9
				The key characteristics for a company to be admirable were largely focussed around sustainability or going 'above and beyond' the service offered. Some of the companies mentioned included Tesla, a company that is constantly looking to move forward, Scottish Power, as they were looking at renewable energy and 'Who Gives a Crap', a company whose brand is centred around the environment	2.8	3.0	2.9
				Enhancing the natural environment was one of the objectives customers were most positive about, suggesting it is something Scottish Water should be aiming to achieve. It was seen by some as 'above and beyond' the	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				responsibilities of a water supplier, so be doing these things Scottish Water was showing that it cares about the environment.			
Customer Expectations of Scottish Water [SW018]	Sep-22	Qual	69	The importance of River & Coastal Water Quality is based on the desire to protect one of Scotland's greatest assets (and sources of income). The link to Scottish Water is not intuitive for many customers.	2.8	3.0	2.9
				Importance of River & Coastal Water Quality – This is important; those who cared more about it lived close to or spent more time near rivers and coasts. Those who have had direct experience of falling ill from pollution were most engaged. Most made the connection to tourism and livelihoods and the importance of preserving beauty spots was mentioned; this is what Scotland stands for, coastlines in particular. Future customers are keen for Scottish Water to invest to protect nature & ecosystems not just people e.g., birds, fish.	2.8	3.0	2.9
Future Strategy [SW008]	Oct-19	Qual	121	Which areas are the most important for Scottish Water to invest in over the next 25 years? - 30% Reliable service - 28% Making things last - 27% Climate Change - 10% Innovative approaches - 5% Enhancing the natural environment	2.8	3.0	2.9
				The need to enhance the natural environment was seen as less of an immediate concern for customers, as they felt the natural environment in Scotland was already beautiful and not obviously in need of being enhanced. The handful of customers that did feel enhancing the natural environment should be a key focus related this to their own passion for the environment and to wanting Scottish Water to help ensure Scotland's natural landscape was protected.	2.8	3.0	2.9
				Views on the importance of Scottish Water enhancing the natural environment and its use were mixed. On the one hand, businesses felt it was important for efforts to be made to protect our natural environment from damage. On the other hand, businesses questioned whether this was the responsibility of Scottish Water, suggesting that it might sit better with other organisations who focussed more directly on the natural environment.	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				A few younger and more environmentally aware participants said they were not surprised by the challenges. Underlying this was a sense of anger at how much damage has been caused to the planet already and a view that urgent action was needed now to combat climate change.			
				Environmental concerns were mentioned as a key part of behaving ethically. Customers expected Scottish Water to be sustainable, to work towards being zero carbon and to use ethically sourced materials.	2.8	3.0	2.9
				Safeguarding the environment. Customers expected public sector organisations to care about the environment and to conduct their operations sustainably. This was seen as important not just on a local or national scale, but also globally, with customers mentioning issues such as fair trade as important	2.8	3.0	2.9
				Domestic customers overwhelmingly agreed it was very important that a publicly owned infrastructure company contributes to improving the lives of people. Of the 99 domestic customers who voted, 82 felt this role was very important and 16 felt it was fairly important, with just one participant saying it was not very important.	2.8	3.0	2.9
Wider Environment - SR21 Environmental Priorities [SW006]	May-19	Qual & Quant	1102	Whilst customers believe they have a part to play, the environment is considered a shared responsibility and one where government should take the lead, co-ordinating a partnership with other bodies and businesses. Customers were shown a diagram of the water industry in Scotland, and many felt the Scottish Environment Protection Agency (SEPA) is the obvious body to be involved, but also that other less familiar organisations are likely to have legitimate interests and roles to play.	3.0	3.0	3.0
				-Only 32% of customers agree that Scottish Water do a lot to help climate change and protect the environment, but interestingly, 26% of customers answered that they ‘Don’t know’. -There was a general feeling during the focus groups that Scottish Water need to ‘shout about’ the work they do in this area a little more, and these results support this. -31% of customers agreed that Scottish Water should reduce their burden on the environment, even if they have to charge more to do it, leaving the impression that customers would be less willing to pay any extra in their bills.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				-Only 20% of customers believed Scottish Water should let others worry about the environment, with 30% disagreeing, showing that customers do believe Scottish Water have a role to play.			
				Younger customers chose to prioritise using land to reduce Scottish Water's carbon footprint along with reducing the overall energy of Scottish Water increasing the proportion of renewable energy use	3.0	3.0	3.0
				When asked whether they believe Scottish Water should be leading by example on protecting the environment, almost 2/3 customers said they should. This sentiment was echoed during the focus groups, where the customers were looking for all big businesses to take the first step and then for themselves to follow suit. Customers were also positive about Scottish Water's sustainability, over half (52%) believed they offer a sustainable service and just under half (49%) believed it to be the role of Scottish Water to educate customers on how they protect the environment	3.0	3.0	3.0
				Customers believe Scottish Water infrastructure should support economic growth, although not at the expense of the environment. Most participants were keen on protecting the environment, even improving it, especially in view of climate change and growing environmental concern. Some, though, worried about the likely bureaucratic costs associated with increasing environmental obligations, cynically suggesting they were creating 'jobs for the boys'.	3.0	3.0	3.0
				Research participants were asked to consider what Scottish Water could do to enhance the environment instead of just protecting it. Improvement suggestions related to the environment: - Instigate a strategic environmental assessment - Education about the environment, especially for children - Collaborate with planning on new projects - Minimise environmental impact of operations - Use electric vehicles - Plant more trees to enhance the environment – they give oxygen, store carbon, stabilise soil, and are beneficial for wildlife - Provide safe areas for nature - Build major hydro scheme and create jobs (Inverness)	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				The research participants considered sustainability in the water industry to be about balancing measures that are realistic to implement (and with low effort on their part), with protection of the environment.	3.0	3.0	3.0
				Throughout the discussions there were several spontaneous suggestions that Scottish Water should tell customers about the initiatives presented in the research. Some are inherently interesting and impressive. The way the information is communicated, though, would need careful consideration.	3.0	3.0	3.0
YouGov Perceptions Survey	2022-2025 YTD	Quant	c. 500 HH per month		2.8	3.0	2.9

5.8 Climate Change Adaptation

5.8.1 What are Customer Expectations Around Climate Adaptation of Assets?

Key Insight:

On hearing about the scale of challenges from climate change, and the consequent impact on the provision of Scottish Water's water and waste water services, customers believe it is important to protect infrastructure against the impacts of climate change. There is an expectation that Scottish Water will invest in innovative approaches and long-term solutions.

References:

4 sources have been reviewed, resulting in 19 insights, with overall scores between 2.4 and 3.0. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9 and 3.0. These are derived from 3 sources, engaging 1,264 customers.

Table 31 *What are customer expectations around climate adaptation of assets?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	Participants felt there should be a shared responsibility for tackling the impacts of climate change on water in Scotland, with the Scottish Government, Scottish Water, businesses, and individuals/communities all playing a role.	2.8	3.0	2.9
				To help tackle the challenges ahead, participants were broadly in favour of a new Water Efficiency Strategy, national water resource planning and more stringent standards for water saving measures in new build homes as possible actions. However, there was some surprise that these things were not in place already and questions over whether they were ambitious enough actions to meet the challenges ahead. Views on these ideas were underpinned by a strong sense of urgency.	2.8	3.0	2.9
				Most participants felt they knew little or nothing about the impacts of climate change on water or wastewater services prior to taking part in the	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				research, although there was more awareness of issues with drainage and surface water flooding. When consumers learnt more about climate change impacts, they were alarmed by the scale of the challenges.			
				On learning more, participants saw a clear and urgent need for climate adaptation in the water sector. They expressed a desire for the sector to put long-term solutions in place and invest in innovative approaches.	2.8	3.0	2.9
				Participants felt that action to reduce household and business water use and infrastructure investment would both be required to tackle the impacts of climate change on water resources. Given Scottish Water's ageing infrastructure, they recognised the need for investment and hard engineering solutions and wanted to see lasting solutions put in place	2.8	3.0	2.9
				Even with infrastructure projects in place, it was broadly recognised that there would still need to be a focus on individuals reducing water usage. Participants felt that there would need to be guidance and support to help individuals make changes, and there were mixed views on the potential for water meters being installed.	2.8	3.0	2.9
Future Strategy [SW008]	Oct-19	Qual	120	When asked what kind of challenges Scottish Water will face in the future, participants found it relatively easy to identify a range of challenges. The challenges customers mentioned related to four main themes: environmental change, political uncertainty, increased demand and ageing infrastructure. Most groups referred to climate change, pollution and the impact worsening weather conditions will have on current infrastructure.	2.8	3.0	2.9
				While not a dominant view, it was further suggested that climate change consideration should be the responsibility of Scottish Water as an organisation to respond to and fund, rather than being paid for by customers – in spite of customers having been told that Scottish Water's funding was made up of income from customer payments and borrowing from government.	2.8	3.0	2.9
				Which areas are the most important for Scottish Water to invest in over the next 25 years? - 30% Reliable service - 28% Making things last	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- 27% Climate Change - 18% Tackling Climate Change - 9% Protecting water services against the impact of climate change - 10% Innovative approaches - 5% Enhancing the natural environment			
				The other aspects of climate change – [Scottish Water] protecting water services against the impacts - was also seen as important by most customers, although the polling results show that it was only the top priority for a minority (9%) of workshop attendees.	2.8	3.0	2.9
				Views on Scottish Water's role in tackling climate change and protecting water services against the impact of climate change were mixed and reflected businesses' underlying attitudes towards environmental responsibilities more generally. Businesses acknowledged that efforts to tackle and respond to climate change impacts were important for all organisations and some welcomed the idea of Scottish Water making effort in both these areas, even stating that it was an issue Scottish Water had 'no choice' but to respond to.	2.8	3.0	2.9
Wider Environment - SR21 Environmental Priorities [SW006]	May-19	Qual & Quant	1102	When asked whether they believe Scottish Water should be leading by example on protecting the environment, almost 2/3 customers said they should. This sentiment was echoed during the focus groups, where the customers were looking for all big businesses to take the first step and then for themselves to follow suit. Customers were also positive about Scottish Water's sustainability, over half (52%) believed they offer a sustainable service and just under half (49%) believed it to be the role of Scottish Water to educate customers on how they protect the environment	3.0	3.0	3.0
				Some pointed out that businesses are likely to have more impact than customers and should lead by example, reinforcing the more general environmental attitudes measured in the customer survey	3.0	3.0	3.0
				- Only 32% of customers agree that Scottish Water do a lot to help climate change and protect the environment, but interestingly, 26% of customers answered that they 'Don't know'.	3.0	3.0	3.0

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				- There was a general feeling during the focus groups that Scottish Water need to 'shout about' the work they do in this area a little more, and these results support this. - 31% of customers agreed that Scottish Water should reduce their burden on the environment, even if they have to charge more to do it, leaving the impression that customers would be less willing to pay any extra in their bills. - Only 20% of customers believed Scottish Water should let others worry about the environment, with 30% disagreeing, showing that customers do believe Scottish Water have a role to play.			
				Research participants were asked to consider what Scottish Water could do to enhance the environment instead of just protecting it. Improvement suggestions related to waste water: - Education about waste - Improve drainage to avoid flooding **- Larger sewers to cope with increasing rainfall** - Engage with farmers to prevent water contamination - Better septic tanks, alarmed when full to reduce discharge - Encourage businesses to remove harmful chemicals, and investigate impact of household cleaning products	3.0	3.0	3.0

5.8.2 How do Customers View their Role in Supporting Scottish Water's Adaptation to Climate Change?

Key Insight:

Customers feel that there is a shared responsibility between the Scottish Government, Scottish Water, businesses, communities and individuals in tackling the impacts of climate change on water and waste water services in Scotland. Whilst many customers believe they are already doing what they can to tackle the causes and impacts of climate change, many customers are unsure of how they can contribute. Customers can also be initially sceptical about the effectiveness of personal behavioural changes or perceive there to be financial or practical barriers to adopting more sustainable behaviours. However, on learning more about the issue, customers generally support the need to raise awareness of the value of water, and there is an appetite for more information and communications.

References:

9 sources have been reviewed, resulting in 21 insights, with overall scores between 1.9 and 2.9. The highest scoring insights have been used to develop Key Insights, with overall scores of 2.9. These are derived from 2 sources, engaging 2,310 customers.

Table 32 *How do customers view their role in supporting Scottish Water's adaptation to climate change?*

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
Climate change, water and Scotland's future [Consumer Scotland] [CS037]	May-24	Qual	41	Upon learning more about the issues, participants strongly believed that awareness should be raised of the value of water and the need to conserve it, as well as the current and future impacts of climate change on Scotland's water. Regarding how to raise awareness, participants felt that education in schools would be key, along with widespread and effective communications campaigns for raising awareness. There was also an appetite for information and communication throughout decision- and policy-making processes, to improve understanding and ensure transparency.	2.8	3.0	2.9
				Participants felt there should be a shared responsibility for tackling the impacts of climate change on water in Scotland, with the Scottish Government, Scottish Water, businesses, and individuals/communities all playing a role.	2.8	3.0	2.9
				Participants felt that action to reduce household and business water use and infrastructure investment would both be required to tackle the impacts of climate change on water resources.	2.8	3.0	2.9
Consumers and the transition to net zero [Consumer Scotland] [CS036]	Sep-23	Quant	2269	Many consumers in Scotland are concerned about climate change, but many report they are already doing what they can to help tackle the problem or they do not know what they need to be doing to help Scotland achieve net zero or to adapt to those climate change impacts that are unavoidable.	2.8	3.0	2.9
				Consumers look to governments, businesses and regulators to provide the leadership, guidance and solutions for tackling climate change. The result is that many consumers do not see themselves as a central part of the	2.8	3.0	2.9

Source	Date	Method	Sample Size	Supporting Evidence	Suitability of Evidence	Coverage	Overall Score
				current narrative around adapting to a changing climate or the transition to net zero.			
				For many consumers sustainable behaviours are viewed as either unaffordable or niche, so they can lack widespread appeal. More work is required therefore on making sure the more sustainable alternatives are both affordable and accessible. Only then will they compete with the less sustainable but more familiar options that dominate current behaviours and practices.	2.8	3.0	2.9
				The convenience and hassle factor are a significant barrier perceived by consumers in relation to water efficiency behaviours. Using a watering can was seen as being too much hassle by 58% of respondents and wiping or scraping cooking pans was seen as too much hassle by 53%.	2.8	3.0	2.9
				A dominant perception persists among consumers that many water saving behaviours might be ineffective in reducing the environmental impact.	2.8	3.0	2.9

Annex A: Synthesis Weighting and Scoring

The detailed scoring definitions which are applied to arrive at Topic Assessment Scores, Coverage Scores and Suitability of Evidence Scores are set out in Table 33, Table 34 below and Table 35 overleaf.

Table 33 Full Weighting and Scoring Assessment: Topic Assessment

Topic Assessment			
Score	Volume of Insights	Number of Sources	Volume of Customers
0	No insight on this topic	No sources on this topic	No customers engaged on this topic
1	Relatively low number of insight	Relatively low number of sources	Relatively low number of customers engaged
2	Relatively moderate volume of insight	Relatively moderate number of sources	Relatively moderate volume of customers engaged
3	Relatively high volume of insight	Relatively high number of sources	Relatively high volume of customers engaged

Table 34 Full Weighting and Scoring Assessment: Coverage Assessment

Coverage Assessment (50%)	
0	Topic not covered by source
1	Source not designed to explore specific topic, however unprompted feedback on topic provided when discussing other topics within the source
2	Source is not designed to explore this topic, but certain questions, feedback or discussion include direct or indirect reference to the topic as it links with the objectives of the source.
3	Source designed to target and explore the topic(s)

Table 35 Full Weighting and Scoring Assessment: Suitability of Evidence

		Score			
		0	1	2	3
Suitability of Evidence Assessment (50%)	**Sample Size**	Unknown / not provided	Survey with less than 50 people or workshop / focus / group / interview with less than 10 people	Survey with 50-100 people, workshop / focus / group / interview with 10-25 people	Survey with 100+ people, workshop / focus / group / interview with 25+ people
	Segmentation Coverage	Not specified	High level e.g. customers/stakeholders	Certain customer types with indications of coverage such as across geographies and inclusion of vulnerable customers - e.g. HH, NHH	Insights organised across detailed segments - e.g. vulnerable, future customers, HH, NHH, Developers
	Regional Coverage	Outside of Scotland	UK Wide	Scotland wide or one area in Scotland	Breakdown of specific Scottish regions
	Method of Engagement	No methodology outlined or unstructured data - e.g. customer verbatim	Generic surveys, social media tracking	Internal high quality, targeted qual/quant surveys, consultations, workshops, focus groups	External research, externally facilitated focus groups, workshops, online communities, surveys, etc.
	Data Collection	Not specified how data was collected	Limited discussion of data collection technique	Some discussion of data collection and the methods.	Thorough discussion of data collection procedures, noted a range of perspectives and extensive detail of feedback
	Interpretation of Results	No interpretation of findings	Lack of credible interpretation with potential for bias	Some links to and discussion of the engagement details, including some differing views, or quantitative source that requires little interpretation due to survey presentation	Engagement work interpreted accurately and fairly with a detailed outline of all perspectives and issues discussed

Annex B: Research Sources

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
SW001	Understanding views on resilience	Aug-16	Qualitative & Quantitative	c.1350 (HH, NHH)	Scotland	To understand perceptions of resilience amongst domestic and business customers, exploring: interruptions to water supply, water quality issues and surface water flooding	Trinity McQueen
SW002	Customer understanding of investment	Sep-16	Qualitative	9 HH	Scotland	To understand customer's thoughts on a number of different areas of interest including investment	Mindmover - Water Matters online community
SW003	Impact Research Part 2: Establishing prioritisation of service impacts on customers	Aug-17	Quantitative	1405 (1005 HH, 400 NHH)	Scotland	To establish prioritisation of service impacts on customers	Accent
SW004	Licensed Provider Perceptions of Customer Priorities	Nov-17	Qualitative	12 LPs	UK	To test existing household and business customer outputs with Licensed Providers.	Turquoise
SW005	Low pressure deep dive	Feb-18	Qualitative	c. 74 (HH, NHH)	Scotland	To understand customers' expectations of water pressure and what low pressure means to customers	Turquoise
SW006	Wider Environment - SR21 Environmental priorities research report	May-19	Qualitative & Quantitative	1102 (375 HH, 493 Vulnerable, 31 Future, 203 NHH)	Qual – Rural (Inverness), Urban (Glasgow) Quant – Scotland	To understand customers' attitudes, expectations and prioritisation of Scottish Water's approach to their environmental responsibilities - with regard to climate change, our natural environment, and customer water and waste water behaviours	Impact
SW007	Understanding Legacy - Insight to support the water industry's future investment plan	May-19	Qualitative & Quantitative	1068 (856 HH, 212 NHH)	Scotland	To uncover what legacy means to customers, how different generations in Scotland plan for legacy, what the current service expectations are for the Scottish water industry and how domestic and business customers would like to prioritise future investment.	Trinity McQueen

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
SW008	Future Strategy	Oct-19	Qualitative	121 (105 HH, 16 NHH)	Glasgow, Fort William, Dundee and Hawick	What would customers' views on Scottish Water's future strategy be if they understood (a) the potential consequences or benefits of different approaches and (b) their associated impacts on charges for water supply and wastewater services	Ipsos Mori
SW009	Impact Research Part 4: Understanding Community Council's views on the investment priorities	Feb-18	Qualitative	15 CCs	Scotland	To understand Community Councils' views on the investment priorities defined by domestic and non-domestic customers, and how they align with the needs of their communities in contrast to the original individual impact statements.	Turquoise
SW010	Waste water and the wider societal impact	Apr-18	Qualitative	56 (36 HH, 10 Vulnerable, 10 NHH)	Edinburgh, Inverness, Aberdeen	To understand customers' views on the wider, societal impact of waste water flooding, river water quality, bathing water quality and environmental pollution incidents.	Trinity McQueen
SW011	Understanding lead removal	Jul-18	Qualitative	53 (40 HH, 13 NHH)	Scotland	To understand customers' views on awareness of lead in the network, knowledge around their own property, knowledge of drinking water treatment, water quality regulations and requirements for lead, how best to approach the removal of lead pipes and fittings and how this should be prioritised.	Turquoise
SW012	SR21 Customer Engagement Programme Research Stage One – Qualitative (Business Customers)	Jan-17	Qualitative	14 NHH	Scotland	An introduction to update customer views to inform the SRC21 strategic planning process	Trinity McQueen
SW013	SR21 Customer Engagement Programme Research Stage One - Household Customers	Jan-17	Qualitative	54 (42 HH, 12 Vulnerable)	Scotland	An introduction to update customer views to inform the SRC21 strategic planning process	Trinity McQueen
SW014	Flooding and Low Pressure Registers	May-14	Qualitative	16 HH	Scotland	To understand how customers were affected day to day by the low pressure or flooding and awareness of register	Assenti

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
SW015	Deep dive research on low water pressure	May-17	Qualitative	16 HH	Scotland	To understand customers' perception of low pressure and the impact (if any) this may have on their day to day life	YouGov
SW016	Scottish Water Seafield customer survey	Aug-18	Quantitative	267 (223 HH, 44NHH)	Edinburgh	Research carried out with residents and businesses to understand opinions and experiences relating to odour pollution in Seafield	Explain Market Research
SW017	Water Quality Research	Aug-20	Qualitative	c.20 HH	Scotland	To understand what will make Experience No Contact customers, who have water quality issues, more satisfied.	YouGov
SW018	Customer Expectations of Scottish Water	Sep-22	Qualitative	69 (36 HH, 9 Vulnerable, 6 Future, 18 NHH)	Scotland	To understand customer expectations, now and in the future and to explore areas for future investment	Trinity McQueen
SW019	Scottish Water: Communities and environment research	Jun-23	Qualitative & Quantitative	2458 (2067 HH, 391 NHH)	Scotland	Research to determine a set of values representing the estimated relative impact of service events for communities and the environment	Accent
SW020	CSOs Research	Jun-23	Qualitative	36 HH	Scotland	To understand customer awareness, attitudes, and perceptions of Combined Sewer Overflows.	Assenti
SW021	Scottish Water Strategic Plan	Aug-23	Qualitative	66 (32 HH, 11 Vulnerable, 5 Future, 18 NHH)	Scotland	To understand where our Strategic Outcomes and Objectives continue to resonate well with our customers, and where the changing world might have affected views	Impact
SW022	Scottish Water Charges 2022	Sep-22	Quantitative	671 (513 HH, 158 NHH)	Scotland	Understand customer views on charges, including the affordability of charge increases in challenging economic circumstances; and the value attributed to our water and wastewater services.	Impact
SW023	Scottish Water Charges 2022	Aug-22	Qualitative	56 (31 HH, 12 Vulnerable, 13 NHH)	Scotland	Understand customer views on charges, including the affordability of charge increases in challenging economic circumstances; and the value attributed to our water and wastewater services.	Impact

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
SW024	Badenoch and Strathspey Community Research Report	Dec-16	Quantitative	316 (258 HH, 58 NHH)	Badenoch and Strathspey	Research with the Badenoch and Strathspey community in order to establish perceptions of tap water and attitudes to Scottish Water.	Assenti
SW025	Charges Research 2023	Sep-23	Qualitative	c.60 (HH, NHH)	Scotland	To understand customers views on how Scottish Water set charges for the rest of the regulatory period (out to 2027).	Trinity McQueen
SW026	Charges Research 2023	Sep-23	Quantitative	1004 (804 HH, 200 NHH)	Scotland	To understand customers views on how Scottish Water set charges for the rest of the regulatory period (out to 2027).	Trinity McQueen
SW027	Lead Removals - Tighnabruaich	Aug-19	Qualitative	52 (HH, NHH)	Tighnabruaich	To determine customer satisfaction with the overall lead replacement process in Tighnabruaich.	Turqoise
SW028	Bioresources – Farmers	Feb-23	Qualitative	8 NHH	Scotland	To understand farmers views of the current Bio-Resource journey and what farmers expect from SW now and in the future.	Assenti
SW029	Encouraging engagement and adoption of Blue and Green Solutions	Mar-21	Qualitative	57 (36 HH, 12 NHH, 9 CCs)	Prestwick and Bridge of Weir	To understand the appetite for potential blue/green solutions in both the Prestwick and Bridge of Weir areas in order to reduce surface water flooding.	Trinity McQueen
SW030	Chlorine-Free Water Matters Online Community	Aug-23	Qualitative	c.74 HH	Scotland	To understand customer perceptions around the use of Chlorine as part of the water treatment process.	Explain Market Research - Water Matters Online Community
SW031	Septic Tanks Customer	Jan-23	Qualitative	20 HH	Scotland	To understand customers views of the current septic tank process.	Assenti
SW032	Pride In Scottish Water	Apr-19	Quantitative	1006 HH	Scotland	To understand customers' pride in Scotland, tap water and Scottish Water across a range of issues.	YouGov
SW033	Behavioural Insights 1	Mar-20	Quantitative	600 HH	Scotland	An experimental study of attitudes to changing water charges in Scotland.	ESRI
SW034	Behavioural Insights 2	Mar-20	Quantitative	599 HH	Scotland	Eliciting trade-offs between water charges and service benefits in Scotland.	ESRI

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
CS035	Overcoming Barriers to the Adoption of Blue-Green Infrastructure [Consumer Scotland Research]	Sep-23	Qualitative	13 Stakeholders	Scotland	Work with industry stakeholders to consider how to address barriers to the take-up and implementation of Blue-Green Infrastructure (BGI) in Scotland. [Consumer Scotland Research]	Ipsos Mori
CS036	Consumers and the transition to net zero [Consumer Scotland Research]	Sep-23	Quantitative	2269 HH	Scotland	To complement existing evidence on consumer attitudes and behaviours to decarbonisation in Scotland. [Consumer Scotland Research]	Diffley Partnership
CS037	Climate change, water and Scotland's future [Consumer Scotland Research]	May-24	Deliberative	41 HH	Scotland	Explore consumer behaviours, perceptions, tolerances and priorities, and importantly, what support is required by consumers to evolve water behaviours so that they are more sustainable in future. [Consumer Scotland Research]	Ipsos Mori
SW038	YouGov Perceptions Survey	Mar-24	Quantitative	c.500 monthly	Scotland	SW's Monthly Perception Survey aims to gauge customer attitudes and thoughts on the services Scottish Water supplies	YouGov
SW039	Domestic Customer Monitoring	Sep-24	Qualitative	1046 HH	Scotland	To gather customers' current water usage habits, their openness to adopting smart monitoring technologies, and their expectations regarding the benefits and challenges of such systems, before the smart monitoring pilot takes place	Progressive
SW040	Pilot Lead Removal - Kyle of Lochalsh	Apr-24	Qualitative	31 HH	Kyle of Lochalsh	To understand customers views on lead pipe replacement	Turquoise
SW041	Evaluation of Rainwater Source Control Measures	Jan-24	Quantitative	1108 HH	Scotland	To understand consumer attitudes and experiences with flooding and rainwater source control measures	Progressive
SW042	Overflow Maps Summary – Water Matters	Sep-24	Qualitative	35 HH	Scotland	To understand customer thoughts of the current designs of the Overflow maps.	Explain Market Research - Water Matters Online Community

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
SW043	Scottish Water Loch Ness Water Treatment Works	May-23	Qualitative & Quantitative	115 (112 HH, 3 NHH)	Loch Ness	To understand perceptions of the work and the communication and engagement on the project in Loch Ness.	Turquoise
SW044	Scottish Water Marchmont	Jul-23	Quantitative	289 HH	Marchmont	To understand perceptions of the work and the communication and engagement on the project in Marchmont.	Turquoise
SW045	Scottish Water North Berwick	Aug-23	Quantitative	49 HH	North Berwick	To understand perceptions of the work and the communication and engagement on the project in North Berwick.	Turquoise
SW046	Scottish Water Milngavie Visitor Survey	Nov-23	Qualitative & Quantitative	202 HH	Milngavie	To understand visitor views and expectations at Milngavie Reservoir.	Turquoise
SW047	Scottish Water Lead Removal	Aug-24	Qualitative & Quantitative	1226 (1020 HH, 206 NHH)	Scotland	To understand the costs, practicalities, and challenges in conducting lead removals across agreed groups.	Turquoise
SW048	Charges Research 2024 [Qual]	Sep-24	Qualitative	c.60 (HH, NHH)	Scotland	To inform decision-making around water and wastewater charges, SW have commissioned annual research to understand what increases are reasonable and affordable to customers.	Trinity McQueen
SW049	Charges Research 2024 [Quant]	Sep-24	Quantitative	1000 (800 HH, 200 NHH)	Scotland	To inform decision-making around water and wastewater charges, SW have commissioned annual research to understand what increases are reasonable and affordable to customers.	Trinity McQueen
SW050	Business metering	Oct-24	Qualitative	52 NHH	Scotland	To understand business customers perceptions and appetite for smart metering, including awareness, benefits, concerns, and communication preferences	Impact
SW051	Capital Projects Research March 2022	Mar-22	Qualitative	77 (46 HH, 6 Vulnerable, 22 NHH, 3 CC)	Scotland	To understand what empowerment means to customers (Household and Business) and how this translates to the capital projects programme that Scottish Water is undertaking in the delivery of its strategic plan.	Turquoise

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
SW052	Scottish Water Capital Projects Wave 6	Apr-23	Quantitative	838 HH	Scotland	14 capital projects were covered in this wave, with customers surveyed either living or working close to the work site. Where possible, we have been able to isolate customers who received direct communication from Scottish Water about the works and compare with customers who didn't.	Turquoise
SW053	Understanding employee and customer expectations of Service Level Agreements (SLAs)	Aug-23	Qualitative	c.76 (32 HH, 12 Vulnerable, 12 NHH, 20 Employees)	Scotland	Understand customer expectations of SLAs to initially respond to core service issues, including communication, and understand employee perceptions of current service levels and how they are communicated to customers.	Trinity McQueen
SW054	Long term investment planning research (Qual)	Oct-24	Qualitative	c.50 (HH, NHH)	Scotland	The research aimed to get customer feedback on the long-term investment plans proposed by Scottish Water.	Trinity McQueen
SW055	Long term investment planning research (Quant)	Oct-24	Quantitative	1160 (900 HH, 60 Future, 200 NHH)	Scotland	The research aimed to get customer feedback on the long-term investment plans proposed by Scottish Water.	Trinity McQueen
SW056	Circular Economy	Aug-22	Qualitative	21 HH	Scotland	The Content Series was run on the Water Matters community, designed to gauge understanding of the Circular Economy.	Explain Market Research - Water Matters Online Community
SW057	Flooding Mitigation Policy	Jun-24	Qualitative	c.55 (35 HH, 10 Vulnerable, 9 NHH)	Scotland	The research aimed to understand how to improve their flooding mitigation policy for their customers.	Trinity McQueen
SW058	ITS – Water Matters	Oct-24	Qualitative	35 HH	Scotland	To understand customer thoughts on communications in the event of an ITS.	Explain Market Research - Water Matters Online Community
SW059	River Almond – Water Matters	Apr-25	Qualitative	38 HH	Scotland	To gather customer insight on the ecological health of River Almond.	Explain Market Research - Water Matters Online Community

Event ID	Event name	Date	Method	Sample	Regional Coverage	Description	Facilitated by
SW060	SR27 Customer Expectations	Mar-25	Qualitative	127 (75 HH, 6 Vulnerable, 20 Future, 26 NHH)	Scotland	The research aimed to understand expectations for the SR27 period to inform the SR27 Final Business Plan.	Accent
SW061	SR27 Reconvened Groups	Apr-25	Qualitative	54 (33 HH, 6 Future, 15 NHH)	Scotland	To gather insights from customers who had taken part in the initial stage of research to support the further development of its Draft Business Plan for SR27.	Accent
SW062	SR27 Licensed Providers	May-25	Qualitative	6 LPs	Scotland	To understand the views of LPS to shape Scottish Water's next regulatory period (2027-2033).	Accent
SW063	Water Quality Research	Jun-25	Quantitative	220 HH	Scotland	To gain deeper understanding of customer experiences with water quality.	YouGov
SW064	Charges Research 2025	Sep-25	Quantitative	1403 (1148 HH, 55 Future, 200 NHH)	Scotland	Since 2022, annual research has tracked household and business views on affordability, ensuring customer perspectives shape pricing decisions.	Accent
CS065	Consumer Scotland SRC27 Deliberative Research Phase 1	Apr-25	Deliberative	105 HH	Scotland	Consumers are being placed at the centre of the SRC27 process as part of an innovative approach to understand whether or not Scottish Water's SR27 Final Business Plan commands their support.	Ipsos Mori

Strategic Review of Charges 2027-33

ICG Assurance Report

As part of the process for the Strategic Review of Charges (SR27), and under the terms of the Memorandum of Understanding agreed by The Water Industry Commission for Scotland, Consumer Scotland and Scottish Water, the Independent Customer Group was given the formal role of providing an Assurance Report on the quality of the customer research undertaken to inform Scottish Water's Business Plan for the review period and the extent to which customer views were reflected in the Plan.

This report has been prepared in fulfilment of that role.

1. Executive Summary

1.1 Research Assurance

The Independent Customer Group (ICG), via the Research Advisory Group (RAG), actively contributed to the design and oversight of customer research.

Methodologies were rigorous, samples were diverse and inclusive, and techniques were appropriate to objectives and participants.

The ICG is satisfied that the research was well-designed and credible.

1.2 Business Plan Assessment

The plan addresses complex challenges (ageing assets, climate change, demographic shifts) while balancing stakeholder interests.

The customer voice demonstrably influenced the Final Plan, evidenced by:

- Reduction of proposed charges from CPI+4% to CPI+3.3% while retaining outcomes;
- Adoption of a smooth charging path;
- Restoration of investment for internal sewer flooding, a high customer priority;
- Reorientation of net zero expenditure toward projects with direct business and environmental benefit;
- Improvements in drinking water quality and aesthetics;
- Targets to reduce leakage; and
- Protection of resources for customer engagement, research, and awareness campaigns.

1.3 Concerns remaining

The ICG have a number of concerns remaining:

- The management of residual risks;
- Affordability of the CPI+3.3% increase; and
- Mechanisms for ensuring customer voice in any future reprioritisation of investment.

1.4 Overall Statement of Assurance

The ICG is satisfied with the quality and rigour of the research.

Customer views have been reflected in and shaped the Business Plan.

The plan is considered reasonable in light of customer priorities.

The charge of CPI+3.3% has not been tested with a nationally representative sample customers and the ICG is not in a position to say whether it is affordable.

The ICG expects:

- Clear processes for involving customers in decisions if risks materialise, and
- Transparent mechanisms for tracking delivery against the plan to reassure customers that their priorities continue to be met.

2. Background

Both the Scottish Government's Commissioning Letter and the Water Industry Commission for Scotland's (WICS) Methodology for the Strategic Review of Charges 2027 (SR27) made clear that the customer voice should be at the heart of decision making in the Review.

The remit of Scottish Water's Independent Customer Group (ICG), which was established by Scottish Water in March 2021, is to challenge and support Scottish Water (SW) to ensure that the voices of customers and communities are fully reflected in SW's strategic decisions and operations. While hosted by Scottish Water, the ICG is operationally independent with a direct line of accountability to the Chair of the Scottish Water Board. Its members are appointed through an open recruitment process and are drawn from a wide range of relevant backgrounds including energy utility, corporate communications, senior retail experience, environmental management, community capacity building, social research, house building development and central and local government.

3. SR27 Process

The process for SR27 differs from that for SR21 in a number of ways:

From Scottish Government the requirement:

- That the Draft Determination set out a "range of possible charging paths"
- That Customers "should be engaged throughout the process," and
- That the Draft Determination should "command public support."

From WICS the requirement:

- That the customer voice should be at the heart of decision making in the Review.
- That SW should submit a formal business plan setting out the progress it planned to make over the period towards achieving the Water Sector Vision.

From The Tripartite Memorandum[1]:

- Evidence: to establish customer views on issues relating to SW's Business Plan for the period of the Review through a co-ordinated, co-designed programme of research
- Independent Challenge: to Scottish Water to demonstrate that customer needs and expectations have informed the Business Plan. The ICG under extended Terms of Reference was given the formal role of exercising that challenge role and providing independent assurance to stakeholders on both the quality of the customer research and the extent to which customer views have been reflected in the Business Plan
- Confirmation: that SW's Final Business Plan is supported by customers through deliberative research to be commissioned by Consumer Scotland.

The highly compressed timetable for the Review necessitated changed patterns of working and new mechanisms:

- The ICG augmented its monthly in-person meetings with frequent on-line sessions.
- In recognition that the tight turnaround times required for the customer research programme to underpin Scottish Water's Business Plan could not be met by the multi-stakeholder Customer Research Co-ordination Group (CRCG), a **Research Advisory Group** (RAG) drawn from SW, Consumer Scotland and the ICG was set up with delegated authority from the CRCG to act as the delivery arm for the programme. Meeting at least fortnightly RAG has been a highly effective forum for debate, challenge and collaboration. From September 2025 as the main focus of the programme moved to the confirmation phase of Consumer Scotland's deliberative research, membership of RAG included WICS.

[1] signed by Scottish Water, Consumer Scotland and WICS which sets out principles for customer engagement for SR27 including three key elements

- The establishment by WICS of the multi-stakeholder **Strategic Review Group** (SRG27), including the ICG, as a forum for sharing information and building stakeholder understanding of each member's perspectives and positions.
- The creation by ICG of a **challenge log** to be published with the ICGs assurance report.

Throughout the process the ICG has had direct access to Scottish Water's executive directors, senior managers and subject matter experts, who have provided extensive background briefing material and attended meetings in person and online to discuss issues and answer questions. The ICG has welcomed the spirit of openness with which Scottish Water has approached its engagement with ICG and the full and frank debates which have ensued.

4. SR27 Customer Research

4.1 Background

Scottish Water has a long track record of customer research on both strategic and operational issues. Research conducted for SR15 and SR21 and supplemented during 2022-24 by three substantive projects commissioned by Scottish Water to inform the development of the Long-Term Strategy published in May 2025, provided an extensive body of information about customer expectations and priorities for their water and waste water services.

At the start of SR27, therefore, Scottish Water already held an extensive body of information about customer expectations and priorities for their water and waste water services and, to assist in the management and analysis of the data, the insights it contained had been synthesised by Scottish Water through an independently assured process.

The ICG is therefore satisfied that the baseline information on customer expectations and priorities was a robust starting point for SR27.

In addition, significant progress has been made by SW in assessing the condition of its assets and in developing more structured and sophisticated tools for strategic investment decision making. These changes made it possible for the first time to provide information to customers about the consequences for customer charges of their expressed preferences, and to gain insight into the pace of progress towards the Water Sector Vision that customers are prepared to support.

4.2 The Customer Research Programme

The purpose of the research programme for the Review, therefore, was

- To establish customer expectations of Scottish Water during SR27; and

- To understand customers' views and preferences around charging and investment scenarios in order to inform the development of the Business Plan for SR27.

The tight timetable for the Review meant that the research programme had to be conducted in parallel with decisions that were still under development by Scottish Water on the investment programme and underlying assumptions about the Business Plan.

Five studies were commissioned, each from external research agencies with experience in water sector research. Four were commissioned by Scottish Water, three of which employed qualitative methodologies to present investment and pricing scenarios to a sample of household, non-household, licensed providers and future customers. The fourth, at the request of the ICG, was a quantitative study to capture the views of a nationally representative sample of household and business customers. Field-work for these four studies was carried out between January and August 2025.

The fifth project, running in parallel with the Scottish Water studies was commissioned by Consumer Scotland to address the confirmation pillar of the MOU. It is employing a longitudinal deliberative methodology, extending over 18 months in three phases, to assess the level of consumer support for the proposed Draft and Final Business Plans. Phase two, in which household and non-household customers considered SW's Draft Business Plan based on the refreshed CPI+4% scenario, reported in November 2025.

4.3 ICG Involvement

The ICG has been closely involved, through the RAG, in commenting on the design of the research and the materials used and the Group as a whole has had the opportunity to observe focus group sessions and to attend debriefing meetings with the agencies conducting the individual projects.

Important considerations for the ICG have been the need:

- For transparency in presenting the consequences for customer charges of different levels of investment including the cumulative effect over time and the impact of inflation;
- For approaches and materials to be tailored to customers' needs including business customers and hard to reach and vulnerable groups in Scotland; and
- To establish the views of a nationally representative sample of the population.

Additional information on the research (methods and findings) is contained in **Appendix 1.**

5. Headline Research Findings

The findings from the SR27 Research Programme reaffirm some core messages that consistently emerge from customer research:

- In large measure customers trust Scottish Water, support the public ownership model and take pride in the product;
- That said, there is low awareness of the full scope of Scottish Water's responsibilities and the size of the network, and limited perception of the challenges arising from ageing assets, climate change and population shifts;
- Ranked by customers among their top priorities are: drinking water quality, reliability of supply, reduction in leakage, and protection from sewer flooding;
- While there is general recognition of the need to adapt to the impact of climate change, attitudes to climate mitigation are mixed and suggest waning support for the achievement of accelerated net zero targets for their own sake;
- Customers are broadly satisfied with current levels of service and do not want to see any diminution in standards. They regard as important the need for investment in maintaining, replacing and future proofing assets but are looking for good value and assurances that charges will be spent on their priorities; and
- There is broad recognition that charges need to increase but cost of living pressures remain significant and affordability is a real concern for a substantial proportion of household customers.

6. The Business Plan

Throughout the process the ICG has had a series of detailed briefings from, and discussions with, Scottish Water senior staff as they developed their thinking on the Capital Investment Programme planned for the period of the Review.

The ICG recognises the challenges facing Scottish Water in striking a balance between stakeholder expectations, sustainability and affordability and welcomes the openness with which they have approached their engagement with the ICG and the efforts they have gone to, despite the pressure imposed by the Review timetable, to provide information and be available for meetings.

Overall, the Final Business Plan is a comprehensive document with a wealth of detailed information in the Technical Appendices. It provides a clear track of the changes made to the Draft Plan and goes a considerable way to addressing the issues raised by the ICG's feedback on that Plan.

6.1 Key questions

The key questions for the ICG were:

- **Level of ambition -** The direction, pace of travel and the ambition of the outcomes in the areas identified by the research as of importance to customers. Information provided by Scottish Water at the request of the ICG shows that compared to the expected outturn for SR21, there are clear correlations with customer priorities in the planned capital expenditure for SR27. This may be seen for example in relation to (i) water quality and aesthetics, (ii) the refocussing of action on net zero from pursuit of a target towards activities of more direct benefit to customers and the environment, (iii) increased expenditure on surface water management and (iv) the restoration of resources for internal flooding to the level intended in SR21 before it was reduced to meet other pressures.

- **Intergenerational fairness -** The principle of "inter-generational fairness" is inherent to the Review. In the Final Business Plan, capital expenditure is planned to rise by 35% from £5.99bn in SR21 to £8.09bn in SR27. The proportion of capital investment covered by Government borrowing will fall from around 10% historically to about 6%. The ICG notes the significant concurrent pressures in SR27 arising, for example, from the cost of alignment with EU Directives; the rehabilitation of PFI projects; the timing of a step change (+23%) in asset maintenance to address underinvestment in the past; and the replacement during the period of long-life capital assets. A major component of the latter is the proposal to develop and deliver the West Central Bio-Resource programme at a cost of over £560m. This is equivalent to about an additional 1.3% on customer charges. In the absence of additional borrowing or an alternative source of funding, or a re-profiling of some of the additional investment activity, ICG continues to have concerns that a disproportionate burden of costs may be falling on the current generation of bill payers during SR27, at a time when a sizeable proportion of households say that they currently struggle to pay their bills and feel worse off than they did last year.

- **Affordability -** is a key priority for customers. While they were broadly supportive of the proposals in the draft plan, a substantial proportion (48%) of household customers surveyed in the nationally representative quantitative research said they could not afford the associated price increase of CPI+4% per annum across the period of the review. The ICG is conscious that, in efforts to reduce costs, non-statutory requirements (which are often the areas of service customers most value) can be the first casualties. The ICG therefore welcomes the response by Scottish Water in producing a revised package in the final plan which reduces charges from CPI+4% to CPI+3.3% while keeping a focus on issues that matter to customers. It notes, however that a CPI+3.3% profile remains above CPI+2% which was the long-term trajectory envisaged by WICS in the last (SR21) review period. The ICG recognises that questions of the cost base and efficiency assumptions in the Final Business Plan are matters for the Water Industry Commission for Scotland.

  Given the time pressures, there has not been an opportunity to test this recast scenario and associated charges with a nationally representative sample of customers. The ICG is not therefore in a position to say whether the proposals are affordable.

- **Regulatory requirements and "retained risk" -** The cost of meeting regulatory requirements is increasing over the period by 51%. While in some areas, for example drinking water quality and aesthetics, there is a clear correlation with regulatory requirements and customer priorities. In others, for example the water environment where investment is double that in SR21, the connection is less obvious.

There is a related issue of “retained risk” not covered in the Plan arising, for example, from potential decisions on the recast Urban Waste Water Treatment Directive and RBMP4. The ICG will be looking during SR27 for rigorous impact assessment and economic analysis to establish whether additional costs involved in addressing new regulatory requirements are commensurate with the benefit to customers.

In this context the ICG welcomes the assurances in the Plan to review governance arrangements to ensure that the customer voice is represented in any decisions where there is a requirement to revisit priorities if there is a change to the underlying assumptions in the Plan or to meet new pressures.

- **Engagement with Customers and Communities -** The importance of ensuring that customers understand the challenges facing the sector and the reasons for price increases has been raised by customers in the research. This, together with the need to change customer behaviours in relation to the use of water and waste water services, underlines the importance of engaging positively with customers and communities to maintain the current high levels of trust in Scottish Water. The ICG welcomes the much clearer and firmer commitments to improving customer experience, maintaining and enhancing resources for customer research and campaigns, for developing services to vulnerable customers on the priority service register, and for developing measures to assess outcomes from this activity.

A more detailed record of the issues raised by the ICG and Scottish Water’s response is in the Challenge Log at Appendix 2.

7. Conclusions

7.1 The Research

The ICG has been closely involved, through RAG, in commenting on the design of the research and the materials used and the Group as a whole has had the opportunity to observe focus group sessions and to attend debriefing meetings with the agencies conducting the research.

Overall, the ICG is satisfied that the research undertaken was rigorous and well designed, that samples met the required standard of diversity and inclusivity; and that the materials used and the methodologies and techniques employed were appropriate to the objectives and participants involved.

7.2 The Business Plan

The ICG recognises the tensions inherent in the Plan which, in the face of the challenges presented by ageing assets, climate change and demographic shifts, has to balance potentially competing stakeholder interests, while also remaining sustainable and affordable.

The ICG continues to have concerns about:

- Residual risk and a robust process for the customer voice to be heard should any additional pressures require reprioritisation of resources;
- The affordability of the CPI+3.3% annual price increase; and
- Whether the acceleration in the pace, scale and composition of investment in SR27 is placing an undue burden on current bill payers.

The ICG is clear, however, that through customer research and evidence-based challenge, the customer voice has had a real influence on the shape of Scottish Water's final business plan. This is manifest most notably in:

- The reduction in the proposed level of customer charges from CPI+4% to CPI+3.3% within a package that retains broadly the same outcomes for customers for a lower price;
- The commitment to a smooth rather than a front-loaded charging path;
- Restoring the level of investment for internal sewer flooding (a high customer priority), to that originally planned for SR21 before it was reduced to meet other pressures;
- In reducing and reorientating net zero expenditure to projects of direct benefit to the business as well as to the environment rather than in pursuit of an emissions target for its own sake;
- Improving outcomes in drinking water quality and aesthetics;
- Target reductions in leakage including a higher target for areas under supply stress; and
- Protecting resources for customer engagement, for research and for campaigns to raise awareness.

8. ICG Overall Statement of Assurance

In its assurance role the ICG:

- Is satisfied with the research samples, methodology and the rigour with which the research has been undertaken;
- Is satisfied that the views of customers have been reflected in and have influenced the Business Plan;
- Thinks that the outcomes in the Plan are reasonable based on the customer research so far undertaken but recognises that the revised price profile has not been tested with a nationally representative sample of the population;
- Is not therefore able to say whether the Plan is affordable;
- Remains concerned about the retained risks in the plan and expects to see a clear process for involving the customer voice in decisions about how they, or

opportunities for additional investment, will be addressed should they materialise; and

- Expects to see a transparent mechanism for tracking delivery against the plan during the review period to provide the reassurance requested by customers in the research that their priorities are continuing to be met.

INDEPENDENT CUSTOMER GROUP
17 DECEMBER 2025

APPENDIX 1

Research Background

Scottish Water has a strong track record of engaging customers in research on both strategic and operational matters. Research conducted for SR15 and SR21, supplemented during 2022-24 by three substantive projects commissioned by Scottish Water to inform the development of the Long-Term Strategy published in May 2025, provided an extensive body of information about customer expectations and priorities for their water and waste water services. To assist in the management and analysis of the body of insights it contained, SW engaged SIA Partners in Autumn 2023 to work with them on the development of a methodology which would allow a consistent and transparent synthesis of the information to be incorporated through cost benefit analysis into strategic investment decision making.

For SR27, Scottish Water commissioned SIA Partners to provide independent assurance that the synthesis tool correctly had been applied correctly and that the values derived from customer insights had been appropriately assigned. SIA Partners produced a report to SW, copied to the ICG, commending the thoroughness of the work done and confirming "that in our independent and expert view, Scottish Water's evaluation and synthesis approach for its SR27 business plan has met the Consumer Council for Water's standards for high quality research and this has been appropriately reflected in the documents reviewed."

The insights derived from the research studies and the synthesis therefore formed a robust basis for developing the SR27 research programme.

The Research Programme

The purpose of the research programme for the Review, therefore, was:

- To establish customer expectations of Scottish Water during SR27; and
- To understand customers' views and preferences around charging and investment scenarios in order to inform the development of the Business Plan for SR27.

The research commissioned by Scottish Water had four distinct components.

Study One

The first study was designed to understand household and business customer views and preferences around a set of draft charging and investment scenarios based on three charging structures, CPI+2%, CPI+4% and CPI+6.5%.Those scenarios reflected Scottish Water's thinking in the early stages of developing their Draft Business Plan and contained information about potential outcomes and their associated cost for

Scottish Water. Customers were shown the impact that each investment scenario would have on their bills.

Household and business customers were also asked their views on the relative importance of four specific choice areas (repairing and maintaining assets, managing rainwater, internal sewer flooding, balancing supply and demand of drinking water). These were selected by Scottish Water as operational areas where customers could potentially influence the pace of progress Scottish Water might make during SR27 (unlike operational areas which are determined by Scottish Water's statutory obligations).

Study Two

The purpose of second study was to gather the needs and expectations of Licensed Providers (LPs) as part of the overall customer and stakeholder perspective designed to inform the development of the SR27 plan and also to understand what LPs think their business customers would want Scottish Water to focus on as a supplement to the business views expressed in the first study.

Study Three

The third study was commissioned at the request of ICG in response to customer views on the three scenarios outlined in the first study, none of which was thought to offer good value for the outcomes and associated price increases involved. A rebalanced, high-level potential investment scenario representing bill increases of CPI+4% was presented to a reconvened group of household and business customers who participated in the first study. This group was given more information on each of the four investment areas and, at the request of the ICG, "Net Zero" was added to the list of choice areas. The opportunity was also taken to test customer views on a front-loaded price trajectory of CPI+11% followed by annual increases of CPI+1.47% compared with a smooth year- on- year increase over the period of CPI+4%.

Study Four

Recognising that the first three studies had involved participants who had been given an extensive induction on Scottish Water, an educational experience not available to the general public, the ICG advocated for, and received a ready response to, a proposal to supplement the qualitative studies with a fourth and quantitative study to test the emerging "reference scenario" of CPI+4% with a nationally representative sample of the Scottish population.

Study Five

In parallel with these four research projects commissioned by Scottish Water and to fulfil the confirmation pillar set out in the MOU, Consumer Scotland separately commissioned a longitudinal deliberative research project. The methodology involves longitudinal public dialogue with 60+ household customers; tailored engagement with

40+ household customers from under-represented groups; and longitudinal qualitative research with 35+ non-household customers

The study, which is being carried out in three phases, extends over 18 months. It is designed (i) to assess the level of consumer support for the proposed Draft and Final Business Plans; (ii) gain insight into consumers' views on the proposed charging profile and the cumulative impact of price increases on customers' bills; and (iii) understand customer expectations and tolerances for different service levels and/or pace of developments that would be associated with different pricing pathways.
Phase two of the project reported in December 2025. Following the publication of Scottish Water's Business Plan in February 2026, the Phase three public dialogue workshop to discuss the Final Business Plan will take place in Spring.

Assurance Role

In its assurance role in relation to the quality of the research undertaken the ICG has examined and has had input to (i) the samples for each study, (ii) the methods employed and (iii) the materials presented to the research participants and the discussion guides to be used by the agencies.

The Samples

For the SW qualitative and CS deliberative studies the participants were intended broadly to reflect the Scottish population. The samples for both studies were drawn from diverse voices including customers in vulnerable circumstances (physical and financial) and across the ranges of age, council tax band, geographical area and socio-economic categories and future bill payers

The household sample for the quantitative research was matched to Scottish census information to provide a nationally representative sample.

For non-household customers the samples were drawn from a mix of business sizes, locations and levels of water usage. Care was taken to identify representatives at an appropriate level of authority to be aware of how much the business pays for their water and waste water services and to be able to speak for the company.

All 21 Licensed providers operating in Scotland were approached and six agreed to participate.

The ICG raised minor points in Study One about the relative lack of household participants in the West of Scotland and the classification of some participants in commuter areas as rural inhabitants; and in Study Four noted that a relatively high proportion of business customers seemed to come from IT businesses which might have had a more optimistic outlook on the economy than other sectors. Overall, however, the ICG is satisfied that the samples for all studies met the required criteria.

The Methodologies

It was agreed at the outset that for Study One an extended qualitative methodology was the appropriate approach. A wide range of techniques including homework tasks, face-to-face workshops, webinars, on-line focus groups and in-depth interviews were tailored to the phase of the project and the participants involved. For business customers the methods involved one-to-one telephone interviews for larger companies and small on-line focus groups with small and medium enterprises.

The views of Licensed Providers were sought through in depth structured interviews in which they were invited to share their thoughts on their own needs and expectations of Scottish Water and the investment scenarios from both their own perspective and the perspective of their business customers.

In relation to the quantitative research, Study Four, issues arising from the time required to complete the questionnaire before fatigue sets in, and the type of device on which the questionnaire will be viewed, can restrict the scope and complexity of the information which can be covered in an on-line quantitative survey. Considerable care was taken to minimise the impact of these limitations by extensive pre-testing of the questionnaire with customers (who would not be participating in the research). Cognitive testing of the background information provided on Scottish Water and the challenges it faces from ageing assets, demographic shifts and climate change was carried out. In addition, face to face interviews were used to gather the views of vulnerable and/or digitally excluded customers and adjustments were made in relation to length, language and presentational style in response. In addition, there was a “soft launch” of the survey with 100 participants to test performance in the field.

The longitudinal public dialogue employed for household customers in Study Five allows for customers to be taken on an educational journey about Scottish Water, the services it provides and the challenges it faces over an extended period with opportunities for more detailed background briefing, online community activities, reflection; and discussion and deliberation during plenary and break-out sessions in workshops. For business customers structured interviews allow for issues to be explored in a way tailored to the circumstances of in the company.

The Materials

Through the Research Advisory Group, the ICG had significant input to the content and design of the research materials used. Lessons learned from pre-review research, professional advice from the research agencies involved and field experience from the programme in relation to, for example, language or graphics used and the potential for misunderstandings due to insufficient explanations, were thoughtfully applied in subsequent iterations. An important issue for the ICG was the need for transparency in presenting the consequences for customer charges of different levels of investment including the cumulative effect over time and the impact of inflation particularly given the lack of awareness customers often have of how much they are paying for their water and waste water services. Considerable thought was given to the way this information was presented to participants, and to what level of detail to ensure in Studies One, Two and Four that participants would understand any proposed price increases in terms of their own personal circumstances.

The Iterative Nature of the Research Process

Throughout the process the ICG had a series of detailed briefings from and discussions with senior staff in Scottish Water, as they developed their thinking on the Capital Investment Programme planned for SR27. Key questions for the ICG were the justification for the move to a higher price trajectory from the CPI+ 2% set out as the long-term profile in the Final Determination for SR21; the direction and pace of travel in areas of importance to customers compared with progress in SR21; the scope for reshaping the balance of funding between committed and discretionary expenditure; the impact of increased regulatory requirements and intergenerational fairness; and the ambition of the outcomes. A record has been kept in the challenge log of the issues raised.

It is important to note that, despite the stresses involved, the tight timetable for the Review meant that research was being carried out in parallel with work on the production of the business plan. This sequencing provided genuine opportunities for customer views to influence the development of the plan.

Investment scenarios describing what could be achieved with tariff increases of CPI+2%, CPI+4% and CPI+6.5% in each year of the review period were presented to customers in the first project in the research programme. Drawn up at an early stage in planning, these scenarios focussed on discretionary spend (the “choice areas”) amounting to around 10% of the total.

Overall, customers were unenthusiastic about any of the scenarios regarding each of them as offering poor value for the associated outcomes and price increases involved.

In response SW developed a “reference scenario” which incorporated elements of the outcomes offered under the CPI+6.5% scenario within a price envelop of CPI+4%. This was sufficiently different in scope and ambition from the previous CPI+4% package for the ICG to take the view that it should be considered afresh by customers. An additional step in the research was therefore introduced in the form of a reconvened panel consisting of 54 participants (household and business) who had agreed to be recontacted.

The scenario focussed on choices available within the categories of managing rainwater, balancing supply and demand of drinking water, internal sewer flooding and repairing and replacing assets). Although it was regarded as nondiscretionary spend the ICG also asked for Net Zero to be added to the list of “choice areas.”

The overall reaction of customers to the refreshed scenario was that they felt that their views had been listened to; that was a well-balanced package which reflected their priorities and offered better value.

This scenario was the focus of the quantitative survey conducted during August 2025 with a nationally representative sample of the population (Study Four). Further extensive work by Scottish Water in the intervening period and in particular the publication of the Draft Business Plan in July 2025 allowed for more detailed information to be provided on seven investment areas – drinking water quality, resilience of supply, reducing leakage, reducing environmental pollution, internal sewage flooding, external sewage flooding and carbon footprint (net zero).

While overall the Plan was received positively there was significant resistance to the cost particularly among household customers, 48% of whom said it was unaffordable.

Scottish Water's response was to rework the plan, reducing investment by xx and resulting in a price profile of CPI+3.3% per annum over the period of the review.

They have openly shared with the ICG, in presentations and discussion, the detailed steps in their thinking and the Final Business Plan also sets out the adjustments that have been made to arrive at this position compared with the proposals in the Draft Plan.

The Revised Draft Plan was not available in time to be presented to the Study Five deliberative workshop held in August 2025 which considered the CPI+4% scenario and, briefly, alternatives based on CPI+3% and CPI+5%. In key aspects the response to the CPI+4% was similar to that of participants in the quantitative research (Study Four) in expressing broad support for the draft business plan and the investment areas but mixed views on the price path of CPI+4% on the grounds of affordability.

Scottish Water's final business will plan be considered in the Phase 3 public dialogue workshop of Consumer Scotland's deliberative research project.

Independent Customer Group
17 December 2025

Version: 26 Feb 2026

Challenge Log for SR27

Compiled by the Independent Customer Group (ICG)

In support of their Assurance Report on customer engagement in SR27

Version: 26 Feb 2026

The Memorandum of Understanding, which was one of the foundation documents for SR27, charged the ICG with maintaining a log of the “challenges” made by the Group to Scottish Water during the course of the Review.

The attached annex fulfils this requirement. The “challenges” which included straightforward requests for information as well as robust discussion, are organised by broad themes of Customer Priorities, Investment Scenarios, Intergenerational Equity, Affordability, Service Standards and Performance Monitoring.

The format tracks the iterative nature of the ICG’s interactions with Scottish Water, informed by emerging evidence of customer views from the research programme, the development of Scottish Water’s Draft Business Plan in July 2025, stakeholder (including the ICG) feedback on that Plan and the evolution of the Final Business Plan.

The ICG has welcomed the spirit of openness with which Scottish Water has approached its engagement with ICG and the full and frank debates which have ensued.

Several of the issues raised in the log, for example, the investment scenarios, are covered off by the publication of the Final Business Plan. Others, such as the development of new measures of performance, monitoring the outcomes for customers set out in the Business Plan, enhancing the provision for customers on the priority services register and an effective process for ensuring that the customer voice is fully taken into account in investment decisions and regulatory requirements will be pursued with Scottish Water as part of ICG’s forward work programme.

Agnes Robson

Chair of the Independent Customer Group

Version: 26 Feb 2026

Challenge Log

Theme	**Customer Priorities**
Issue	1.1
ICG question raised	What is the evidence base for Scottish Water's view of customer priorities and their ranking?
Scottish Water response at Draft Business Plan	In preparation for SR27, Scottish Water worked with SIA Partners to develop a research synthesis process to gather insights from across the numerous research studies conducted over the past ten years. This was supplemented with qualitative research commissioned specifically to support development of the SR27 Business Plan. Full details of the evidence base for customer priorities were included in the Customer Research Technical Appendix to the Draft Business Plan, and all other service-related Technical Appendices reference customer views on that topic area.
ICG response at Draft Business Plan	As set out in their interim assurance report, the ICG is satisfied that the baseline information on customer expectations and priorities for water and waste water services derived from the synthesis of customer research over the past 10 years and independently assured by *SIA Partners* provided a robust starting point for SR27. The SR27 research carried out so far has provided good insight into the views of a diverse group of informed customers on current priorities for investment over the review period. This evidence base has been fully set out in the Draft Business Plan and technical appendices. The ICG's view that this research needed to be augmented by a quantitative study of the views of a statistically representative sample of "uninformed" customers was accepted and is underway. The ICG will wish to discuss the outcome of this study and any implications for the Final Business Plan when the findings, including any insights into ranking of preferences, are available.

Scottish Water response at Final Business Plan	Scottish Water conducted a quantitative study to gain representative views on the Draft Business Plan. The ICG were involved in the design of this study through the Research Advisory Group (RAG), attended the research debrief and provided feedback on the final report. The findings of the overall Research Programme were discussed in detail at a round table with RAG stakeholders on the 24/10 and with the broader Customer Research Coordination Group on 13/10. Scottish Water shared a draft of the Customer Research Technical Appendix for review and comment, alongside the Research Synthesis Report and final quantitative research report ahead of ICG producing their assurance report.
ICG response at Final Business Plan	The quantitative study provided valuable additional information on the views of a nationally representative sample of customers in Scotland on their priorities for water services and their views on the Draft Business Plan. It confirmed that household customers attach the highest priority to water quality, resilience of supply and internal flooding and reinforced the emerging resistance to the justification of net zero as a target for its own sake rather than as a sound business proposition. While they were generally supportive of the plan and associated outcomes a high proportion questioned the affordability of the costs involved. The ICG considers that the synthesis of existing research plus the findings of the SR 27 research programme provided a robust evidence base on customer priorities and were clearly and comprehensively reported in the technical annex to the Final Business Plan.

Theme	Investment Scenarios
Issue	2.1
ICG question raised	How did Scottish Water take account of customer priorities in the investment scenarios?
Scottish Water response at Draft Business Plan	Scottish Water has a long history of undertaking customer research to understand customer and community priorities. The Research Synthesis provided the starting premise for early development of investment scenarios. These early scenarios were then tested with over 100 customers through qualitative research activities, with helpful feedback received. This feedback was then fed into development of the working reference scenario which was tested with reconvened customer groups. Scottish Water received positive feedback on the changes which had been made. Scottish Water described the findings of the research, and of the research synthesis, and how this has impacted the investment scenarios in the Draft Business Plan and included feedback from customers in call out boxes throughout the Main Document, Scottish Water have also described how they have taken account of customer priorities in the Customer Research Technical Appendix. Developments for the Final Business Plan include quantitative research to be undertaken which will help further understand customer priorities and shape the investment scenario, and Consumer Scotland deliberative research to test overall Draft Business Plan.
ICG response at Draft Business Plan	The ICG recognises that customer views on the early scenarios were considered in the reference scenario tested on a smaller reconvened group. Further information on customer views on the reference scenario will become available from the quantitative research on non-informed customers underway and from phase two of the Consumer Scotland deliberative research. Findings from these two further studies plus the synthesis of the affordability

	research which the ICG has asked for will need to be considered carefully alongside the findings of the completed Accent deliberative study. NOTE: further revisions to the reference scenario in hand by Scottish Water following, inter alia, the findings of the nationally representative quant research by Create Clarity showing that while household customers broadly supported the outcomes of the refreshed reference scenario, the cost was seen as unaffordable by around half the sample of the research participants.
Scottish Water response at Final Business Plan	Following the qualitative research undertaken to inform the Draft Business Plan, Scottish Water undertook quantitative research to understand views on the investment and charge associated with the reference scenario in the Draft Business Plan. In addition, Consumer Scotland tested the Draft Business Plan in their Deliberative Research phase two. In the Final Business Plan Scottish Water have adjusted projected customer charges, directly incorporating feedback to ensure that the plan balances ambition with affordability for customers and responding to climate change, while ensuring Scottish Water are meeting legislative drivers and have protected investment in the service areas that are most important to customers. Undertaking nationally representative customer research after the Draft Business Plan confirmed that most customers felt the cost of the plan was reasonable once explained, but customers were divided on whether the cost of the plan was affordable, and concerns remained particularly for those least able to pay. To help keep bills as affordable as possible, Scottish Water reviewed plans and deferred some investment to future periods, and this has reduced the total investment envelope to £8.1bn from £8.5bn. This represents a reduction in proposed customer charges to CPI +3.3% per year rather than the original proposal of CPI +4% per year. As a result of this overall reduction, it has been necessary to rebalance investments relative to our Draft Business Plan. During this process, Scottish Water sought to protect investment in service areas that are most important to customers.
ICG response at Final	As set out in our Assurance Report, the ICG is broadly satisfied that the insights obtained from the research programme on customer priorities have been reflected in the Final Business Plan. While the

Business Plan	ICG welcomes Scottish Water's response in reducing the proposed tariff from CPI+4% to CPI+3.3% while seeking to protect similar outcomes for customers, it is not in a position to say whether this level of charges is affordable.

Theme	**Investment Scenarios**
Issue	2.2
ICG question raised	How do customer priorities map against the investment proposals in the "reference scenario" (CPI+4%)?
Scottish Water response at Draft Business Plan	Scottish Water have directly tested the overall reference scenario with a reconvened group of informed customers who found it matched their priorities, findings were presented in the Draft Business Plan, further information can also be found in the Accent Reports.
ICG response at Draft Business Plan	The reference scenario tested with customers provided a limited range of choice options. Key customer priorities, as evidenced in research, are resilience of a clean water supply, effective waste water treatment and affordability. While the first two are included in Asset Repair Refurbishment and Replacement (around 50% of the proposed Investment Programme), the research thus far has not been designed to test affordability. The ICG is satisfied that on priorities for investment there is, overall, a clear line from the research (well set out in the Technical Appendix) to the Reference Scenario in the Draft Business Plan. This needs further consideration in the light of the findings from the Quantitative Survey.
Scottish Water response at Final	Scottish Water directly tested the overall Draft Business Plan reference scenario with a reconvened group of informed customers who found it matched their priorities and then followed this up with quantitative research which found broad support for investment

Business Plan	proposals but mixed views on affordability. Therefore, Scottish Water further reviewed the reference scenario to bring the overall cost of the plan down, while ensuring that investment is protected in the service areas that are most important to customers.
ICG response at Final Business Plan	See response to Challenge 2.1 above.

Theme	**Investment Scenarios**
Issue	2.3
ICG question raised	How do the investment proposals in the reference scenario compare with (a) the planned allocation for SR21 and (b) projected outturn for SR21 to allow comparison with the level of investment proposed in SR27?
Scottish Water response at Draft Business Plan	Not covered within the Draft Business Plan. A briefing is currently being prepared which describes shifts which have taken place since SR21 Final Determination, this will be shared with ICG.
ICG response at Draft Business Plan	Awaiting briefing. The ICG considers it important to have this information to take a view of the direction and pace of travel.
Scottish Water response at Final Business Plan	Briefing provided to ICG in Dec 2025, which outlines the investment spend in SR21 vs proposed SR27 investment split by Opex, Asset Repair, Refurbishment and Replacement (AR3) and enhancement in the Investment Planning Scenario. Overall, there is an increase in cost to the investment plan of 24%, Opex has increased 4%, and the investment planning scenario by 35%. A breakdown by service

	area was also provided. Scottish Water also provided a briefing on the financial model changes since the SR21 Final Determination, which explains the charge path required in SR27 to maintain the overall level of investment proposed in the SR21 Final Determination.
ICG response at Final Business Plan	The ICG has now had extensive briefing from Scottish Water on the investment programme for SR27 compared with projected outturn for SR21. It continues to have concerns about the cost to customers of new and increasing regulatory requirements. The ICG has also been fully briefed by Scottish Water on the reduced "purchasing power" of the CPI+2% per annum trajectory envisaged in SR21 because of the economic environment and changes to underlying assumptions. In welcoming the information provided, the ICG notes that the cost base used in the analysis is a matter for WICS.

Theme	**Investment Scenarios**
Issue	2.4
ICG question raised	What scope is there to increase the size of the 'service choices' investment category by moving some of the budget allocation from other areas including both Capital and Opex?
Scottish Water response at Draft Business Plan	Scottish Water believe the current reference scenario set out in the Draft Business Plan provides the optimum balance of investment across the service portfolio, and the budget allocations within these areas. The Draft Business Plan sets out in detail the need for budget allocations for AR3 and enhancement in several Technical Appendices, these describe what will be delivered, and the level of risk that is being managed. In the Draft Business Plan, Scottish Water assumed no changes to borrowing or financing, and a charge of CPI +4% per annum,

	therefore as allocation is moved from one place to another within a fixed financial envelope, Scottish Water can deliver less outcomes and can therefore expect more service risk or direct service issues. Regulatory requirements, AR3 and enhancement needs are described in various Technical Appendices which accompanied the Draft Business Plan. In the Draft Business Plan Scottish Water set out two alternative scenarios, as requested by Scottish Government and WICS, these show what can be achieved for CPI +3% pa and CPI +5% pa setting out where choices would be made. Scottish Water have qualitatively tested the overall reference scenario and have received positive feedback that this meets customer needs. Scottish Water will be further testing this quantitatively ahead of the Final Business Plan.
ICG response at Draft Business Plan	The ICG notes that budget adjustments were made to meet the needs of other stakeholders and address various issues – some of which did not align with customer priorities – before finalising the reference scenario. Additional changes might be needed depending on for example, decisions on EU Directive or unexpected cost increases in committed projects. Although this falls under the monitoring arrangements for the review period rather than the business plan, in the ICG's view it's important to set up a clear and robust governance process which ensures that customer interests and priorities are properly taken into account, when considering the response to over or under performance or the materialisation of potential "retained risks" not currently included in the plan.
Scottish Water response at Final Business Plan	In the Final Business Plan Scottish Water have adjusted projected customer charges, directly incorporating feedback to ensure that the plan balances ambition with affordability for customers and responding to climate change, while ensuring legislative drivers are met and have protected investment in the service areas that are most important to customers. Scottish Water believes the reference scenario set out in the Final Business Plan provides the optimum balance of investment across the service portfolio, and the budget

	allocations within these areas. Investment in areas of 'service choice' has increased by 87% compared to SR21. Scottish Water are assuming no changes to borrowing or financing, and a charge of CPI +3.3% pa, therefore as allocation is moved from one place to another within a fixed financial envelope, we are able to deliver less outcomes and can therefore expect more service risk or direct service issues. Scottish Water recognise that it is important the customer voice is heard in all strategic decisions. Just as the customer voice has been critical in developing the Final Business Plan, reprioritisation decisions, which may be made through dynamic investment planning, should be taken with full consideration of research into customer priorities especially if the dynamic reprioritisation is affecting components of the baseline plan that do not have the same level of protection or promotion (legislative and regulatory driven) compared to other areas of the programme. A Task and Finish Group has been established to look at the refresh of the investment planning and prioritisation framework. Therefore, it won't be possible to describe how this mechanism for change will work in the Final Business Plan. Scottish Water have, however, strengthened the Business Plan main document to demonstrate the importance placed on ensuring the customer voice is heard in all strategic decision making, including reprioritisation decisions during the regulatory period.
ICG response at Final Business Plan	The question of the process for collective discussion of issues which could have an impact on investment priorities or the level of resources available for investment during the SR27 period is a top priority for the ICG. The ICG expects that the principle of customer engagement which underpins the Review will be carried forward into robust arrangements to ensure that the customer voice is fully represented in any decisions which have the potential to change investment priorities or affect outcomes for customers.

Theme	Investment Scenarios
Issue	2.5
ICG question Raised	With Opex making up such a large share (35%) of the budget, can Scottish Water provide a breakdown of that budget for SR27, highlighting where efficiency savings have been found and where they have been allocated.
Scottish Water response at Draft Business Plan	Further details were provided in the Financial Strength Technical Appendix, which sets out changes in operating costs; and the Efficiency Technical Appendix, which further describes Scottish Water's approach to assessing efficiency of Opex spend which compares well to similar companies.
ICG response at Draft Business Plan	Information is contained in the Technical Appendices.
Scottish Water response at Final Business Plan	Operating costs are essential to covering the day to day running costs of Scottish Water such as people, chemicals, power, interest costs and licenses. The Final Business Plan signals operating costs will be £5.3bn over the SR27 period. Further detail is provided in the Financial Strength Technical Appendix which sets out changes in operating costs; and the Efficiency Technical Appendix which further describes Scottish Water's approach to assessing efficiency of Opex spend which compares well to similar companies.
ICG response at Final Business Plan	The ICG recognises that questions of OPEX costs and efficiency are matters for WICS.

Theme	Investment Scenarios
Issue	2.6
ICG question Raised	In the Accent qualitative research customers commented on the high cost of dealing with internal flooding in relation to the number of properties on the register. Can Scottish Water provide clarification on how costs are allocated when the cause is an underlying hydraulic issue in an area with multiple properties rather than a problem affecting a single property?
Scottish Water response at Draft Business Plan	Email response provided in June 2025 confirming that whilst the average unit rate changes frequently, Scottish Water try and provide the most up to date information. The average unit rate changes dependent upon the costs of the projects that have just completed and the number of properties being removed as part of the project. Part of the challenge is that flooding unit rates can differ massively. Scottish Water still do a lot of 'low cost' solutions, but this can then be skewed by a single unit rate.
ICG response at Draft Business Plan	Further information provided. The ICG accepts this is a difficult technical issue, and cost allocation is complex. In discussion with customers, it is important to make clear that the internal flooding register is not static, but properties are removed when the problem is fixed, and new properties are added in response to changed circumstances. The ICG also considers that where the underlying cause is a hydraulic issue in the network, costs should be presented in a way that makes it clear to customers that there are wider system benefits beyond a single property.
Scottish Water response at Final Business Plan	Engaging with customers on the topic of internal sewer flooding can be challenging. It can be difficult to communicate mechanisms such as 'churn rate', where new properties are added to the Flooding Register every year, and other properties are removed. Customers can find it hard to understand why new properties are added, and why the issue cannot be 'solved' at a national level through a single one-off investment. It can also be challenging to communicate service level risk to customers - where although one property might be removed from

	the Register, other surrounding properties may benefit from a reduced risk of flooding - even if those properties have not experienced sewer flooding. These complexities can make it hard for customers to make a value judgement about the costs and benefits of investment in sewer flooding, especially when internal sewer flooding is examined alongside other service areas which can be perceived by customers to affect more people. Scottish Water will continue to develop the approach to engaging with customers on this topic - particularly around communicating service level risks.
ICG response at Final Business Plan	The ICG recognises the complexities involved and looks forward to continuing discussions with Scottish Water on this matter including the structure of the Flooding Register and the suggestion of a flooding forum to consider prioritisation.

Theme	**Investment Scenarios**
Issue	2.7 and 2.8
ICG question raised	The ICG notes that in the most recent (March 2025) iteration of the reference scenario £25m was reallocated from the AR3 budget to Net Zero to make good a shortfall in progress towards the target for 2040, despite Net Zero being a relatively low priority for customers. Can Scottish Water explain what the effect would be on (a) customer charges and (b) the amount available for investment in other priority areas in 2027-33 if Scottish Water were to adopt the same targets as have been set by Scottish Government for other sectors of the economy in Scotland viz to achieve net zero emissions by 2045 and to adhere to the carbon budgets which have replaced the interim targets for net zero emissions?
Scottish Water response at Draft	Scottish Water transparently and iteratively shared investment planning scenarios as they were developed, therefore changes were to be expected to the allocations across all investment categories based upon new information and greater understanding of customer and stakeholder priorities.

Business Plan	Scottish Water continued to improve the bottom-up data and information which was available and applied top-down analysis to the overall investment profile at key stages of development. The investment scenarios were shared with ICG at these key stages during development, on the basis that they were 'work in progress'. As part of this development work, Scottish Water reviewed and pressure tested the outcomes which would be delivered based on the allocations at the time. This work highlighted that original allocations for Net Zero would not allow Scottish Water to meet the published target of 2040, and therefore the allocation for Net Zero within the Draft Business Plan was increased, and the portfolio rebalanced to ensure this Ministerial Objective could be met.
ICG response at Draft Business Plan	The challenge was prompted (a) by the views expressed by customers in the Accent research that while they recognised and supported the need to adapt to climate change they were skeptical about net zero as an end-in-itself target; and (b) the implication that Scottish Water were increasing investment to compensate for shortfalls by 3rd parties in greening the grid. Wider external research indicates a falling off in support of net zero in society at large. There has also been a rowing back by Scottish Government of some interim targets towards achieving net zero by 2045. Scottish Water provided full briefing papers which were discussed extensively at a meeting with Scottish Water on 25 July. The ICG is now satisfied that net zero investments being made by Scottish Water not only support the business in achieving net zero targets but also provide wider benefit to the business through improved efficiency and increased future resilience. The ICG suggests that Scottish Water should ensure they are sensitive to public mood on the issue. Scottish Water might also consider that communications about net zero should emphasise the business rationale for net zero investment including full transparency of the costs and wider benefits. The findings from the Quantitative Survey reinforce the need to reframe the narrative on this issue. The ICG also notes that the risk of a "green premium" in the cost of embodied materials is not included in estimates but has been assured that in practice there is no evidence of this in the market.

Scottish Water response at Final Business Plan	Scottish Water acknowledge the impact of the briefing provided to the ICG on the 25 July and have considered the feedback from ICG on positioning investment in this area as in the development of the Final Business Plan. In reviewing and rebalancing the reference scenario following stakeholder and customer feedback investment in Net Zero activities has been scaled back. Delivering Net Zero Emissions is not only about reducing emissions and minimising future carbon and energy costs. The measures Scottish Water take to support a net zero emissions pathway will deliver multiple benefits to customers and Scotland's wider economic, nature and wellbeing goals, and Scottish Water have reflected this narrative throughout the Final Business Plan and the Climate Change Mitigation Technical Appendix.
ICG response at Final Business Plan	The ICG welcomes the Scottish Water constructive response to the views of customers on this issue.

Theme	**Investment Scenarios**
Issue	2.9
ICG question raised	£60m seems a large sum for two River Basin Management Plan (RBMP) studies. (a) Is Scottish Water confident that a Scottish Water asset is causing the deterioration in the water quality of the river. Can they advise if there are any other sources that could also be impacting? (we understand Scottish Water could be contributing but not the sole reason). Can Scottish Water – through SEPA – prove it's a Scottish Water asset at fault? (b) Can Scottish Water provide more information about what these studies entail?

Scottish Water response at Draft Business Plan	(a) Scottish Water study before delivering an intervention to understand whether it is a Scottish Water asset that is causing the issue. The study allows Scottish Water and SEPA to be clear whether an impact is due to a Scottish Water asset or not, and the scale of the contribution. Scottish Water use a variety of study methods, including modelling to prove responsibility. Depending upon the environment around the watercourse there could be other sources, such as agriculture, industry, private septic tanks etc. All of this would be examined in a water quality study. (b) The study allowance (£60m) isn't for two studies; it is the entirety of the SR27 study programme. There are several different areas that will be studied during the period. The exact contents of the programme are uncertain at the moment. For example, due to RBMP4 and recast Urban Waste Water Treatment Directive (rUWWTD). So, the following information should be regarded as high level and draft to provide some visibility and scaling of the assumptions so far. The same information was provided to SEPA with the same note of caution. **Unlicensed Dosing**: 51 sites with chemical dosing – may require water quality studies to see if the alum or ferric is impacting environment – may require nothing / licence change / capital project. Assumed about £100k per site – c. £5m of the provision **Climate Resilience and Responsive investigations.** Allowance for studies that come up every period – e.g. Bathing Water designations or Cross-connections etc. C. £5m of the provision. **RBMP4** – this is unclear as work to be done with SEPA later this year – but typically this involves Chemical Investigation Programmes for priority substances (PFAS / pharma), microplastics, bacteria etc. C. £25m of the provision based on previous periods. **Recast UWWTD** – there is a whole plethora of things that could fall under this (creating the monitoring list of micro-pollutants, studies for 2% flow from overflows, etc.). Assume we have about £15m residual for this.

ICG response at Draft Business Plan	Full clarification given in the information provided.
Scottish Water response at Final Business Plan	Matter closed following additional information provided
ICG response at Final Business Plan	No further comment required.

Theme	**Investment Scenarios**
Issue	2.10
ICG question raised	Can Scottish Water demonstrate the customer benefit from the rUWWTD? Are there any benefits proportionate with the cost to customers or reflective of customer priorities?
Scottish Water response at Draft Business Plan	Alignment with the rUWWTD is a matter for Government to decide or demonstrate the benefits of. Scottish Water are providing the Government with advice and evidence on the impacts of fully aligning with the directive, partially aligning with the directive as well as taking a fully risk-based approach through the Climate Change Adaptation policy development. Scottish Water are fully behind the outcomes the rUWWTD is seeking to achieve and there are elements where Scottish Water would support alignment as they would help achieve long-term strategic objectives and build on the existing approach. Given that the Directive takes a precautionary approach to reducing

	environmental pollution (including microplastics and micropollutants such a pharmaceutical compounds) and the risk based approach relies on monitoring and finding an issue before investing, it is key that the right balance is found between the two to ensure Scottish Water do not find a problem when it is too late or prioritise investment where there is little to be gained. The Climate Change Adaptation policy development led by the Scottish Government brings together stakeholders to discuss the benefits and costs of full alignment, and whether these are proportionate. Ultimately this is a matter for Scottish Government.
ICG response at Draft Business Plan	The ICG understands that this is ultimately Scottish Government's decision. However, since the goal of the two updated directives is to benefit customers and the environment, ICG hopes Scottish Water will do more than just offer technical input but use its expertise and influence to advocate for solutions that lower costs for customers, strike a sensible balance between long-term and short-term approaches, and make explicit to Scottish Government the impact on customer charges of decisions that might be made.
Scottish Water response at Final Business Plan	Response provided at the Draft Business Plan stage. Scottish Water continue to support the Scottish government with the necessary evidence (e.g. costs, benefits and implications) for a number of alignment options to allow them to make the best decision balancing costs and environmental/public health needs.
ICG response at Final Business Plan	The ICG acknowledges that these are matters for the Scottish Government but expects (i) that Scottish Water will ensure that all stakeholders, including Scottish Government, are aware of the impact on customer bills of regulatory requirements and new demands; and (ii) that decisions taken will recognise customer priorities and be based on robust analysis that fully takes into account the balance between the costs and any benefit to customers.

Theme	**Intergenerational Equity**
Issue	3.1
ICG question raised	Given the heavy demands on current customers proposed for SR27 from the replacement of significant and high-cost long life assets can Scottish Water provide a definition of “intergenerational equity” that is acceptable to and can be adopted by all stakeholders to ensure a common language and understanding?
Scottish Water response at Draft Business Plan	Scottish Water provided a definition of ‘intergenerational equity’ within the Draft Business Plan which aligns with the definition WICS have also provided both within the methodology and in a separate briefing note provided on the 22 April 2025.
ICG response at Draft Business Plan	Briefing provided.
Scottish Water response at Final Business Plan	The definition of ‘intergenerational equity’ is also included with the Final Business Plan and remains aligned to the definition WICS have also provided both within the methodology and in a separate briefing note provided in April 2025. The definition is: *broadly, we take intergenerational equity as meaning that assets are paid for by the people who benefit from the services those assets provide, and that each generation ensures that assets and service levels are resilient and sustainable over the longer term.* Investment in SR27 will continue to take Scottish Water on the journey to the sustainable level of asset maintenance, with a 24% increase in AR3 spend since SR21, however Scottish Water won't get to the sustainable level until 2050. Investment is also being made in large one-off investment projects in SR27 which may require to be paid for by customer charges in period if an alternative means of financing isn’t found to be valid.

ICG response at Final Business Plan	As referenced in its Assurance Report, the ICG continues to have concerns about the cost impact on customers during SR27 from the cumulative effect of large -scale investment on long life capital assets, increasing regulatory requirements and a step change in maintenance.

Theme	**Intergenerational Equity**
Issue	3.2
ICG question raised	What does "fairness between generations" mean for what customers will be paying during SR27?
Scottish Water response at Draft Business Plan	The Draft Business Plan sets out the considerations for intergenerational equity. The Draft Business Plan proposed customer charges of CPI +4% pa. to deliver the outcomes required in SR27.
ICG response at Draft Business Plan	The ICG notes that the concurrent pressures over the period of SR27 from major long-life capital projects; rehabilitation of PFI projects; flat rate borrowing from the Scottish Government (reducing the contribution to CAPEX from a historic level of 10% to 6%); the cost of alignment with EU Directives; the timing of the step change (+24%) in asset maintenance indicate that a disproportionate burden will fall on the current generation of bill payers. It is therefore unclear how the definition works in practice and would welcome further discussion on the issue.
Scottish Water response at Final Business Plan	Investment in SR27 will continue to take Scottish Water on the journey to the sustainable level of asset maintenance, with a 24% increase in AR3 spend since SR21, however the sustainable level won't be reached until 2050. Investment is also being made in large one-off investment projects in SR27 which may require to be paid for by customer charges in period if an alternative means of financing isn't found to be valid.

ICG response at Final Business Plan	See response to 3.1 above.

Theme	**Intergenerational Equity**
Issue	3.3
ICG question raised	In that context, the ICG notes the assumed reduction in the proportion of Government borrowing from 10% to 6% over the period. Has Scottish Water raised this issue with the Scottish Government and with what outcome?
Scottish Water response at Draft Business Plan	The Draft Business Plan has been developed based on the indication in relation to borrowing being at the same amount as SR21, as detailed in the Commissioning letter. Scottish Water is working with stakeholders to explore the viability on alternative funding opportunities.
ICG response at Draft Business Plan	The ICG welcomes the representations that Scottish Water are making.
Scottish Water response at Final Business Plan	The Final Business Plan has been developed based on the indication in relation to borrowing being at the same amount as SR21, as detailed in the Commissioning letter.
ICG response at Final	As referenced in its Assurance Report, the ICG continues to have concerns about the cost impact on customers during SR27 from meeting the cost of investment in large -scale long-life capital assets

Business Plan	from revenue rather than from borrowing or alternative funding mechanisms.

Theme	**Intergenerational Equity**
Issue	3.4
ICG question raised	Are there alternative funding options for the unique long life capital projects falling in the Strategic Review (SR) period so that they do not land so heavily on current customers through higher charges; and have these been explored?
Scottish Water response at Draft Business Plan	Scottish Water did not cover alternative funding options within the Draft Business Plan.
ICG response at Draft Business Plan	See responses to 3.2 and 3.3 above.
Scottish Water response at Final Business Plan	The Technical Appendix on West Central Bioresources outlines the work which has been completed to consider the potential for alternative funding options, which concludes that the introduction of a Mutual Investment Model will increase the whole life cost of the programme of work significantly, and therefore the current view is this is not in customers best interests.
ICG response at Final Business Plan	Noted. See responses to 3.1, 3.2 and 3.3 above

Theme	Intergenerational Equity
Issue	3.5
ICG question raised	Can Scottish Water provide clarity on the implications for customers of the “transition to replacement cost” proposed in the WICS methodology?
Scottish Water response at Draft Business Plan	Scottish Water clarified that there is no direct cash consequence for customers. Depreciation based on replacement cost is a return required by WICS and separate from the Statutory Accounts as an indication of the required level of maintenance of assets.
ICG response at Draft Business Plan	It would be helpful to know what methodologies are being used to calculate replacement cost, including what assumptions are being made, for example, for new technologies.
Scottish Water response at Final Business Plan	Following discussion with the ICG, no further action is required.
ICG response at Final Business Plan	The ICG notes that during the period 2027-2033 “transition to replacement cost” is unlikely to have an impact on the level of investment in maintenance activity.

Theme	**Intergenerational Equity**
Issue	3.6
ICG question raised	Can Scottish Water provide clarity on the implications for customers of the application of RPE (Real Price Effect) adjustments being discussed with WICS?
Scottish Water response at Draft Business Plan	Scottish Water's intention is to discuss with WICS how, in setting an efficiency target, account can be taken of elements which make up a much higher proportion of it's costs than is included in the basket of measures which make up CPI (for example, energy costs). Real Price Effects can be a plus or minus adjustment.
ICG Response at Draft Business Plan	Noted that there is no direct cost to customers but indirectly, positive RPE adjustments would affect efficiency assumptions and therefore the amount of money available for investment. The ICG notes that current (Oct 25) discussions with WICS relate to labour costs and would welcome clarity on how this would work in practice.
Scottish Water response at Final Business Plan	The Efficiency Technical Appendix sets out how RPEs might be applied in SR27, using a cost-focused adjustment within the Final Determination. Work ahead of the Final Business Plan set out a forecast for RPEs of 0.5% for Opex and 0.6% for capex. However, as RPEs haven't been used before, a conservative approach has been taken to allow WICS to fully consider the analysis. Therefore, the proposal is a 0.2% pa RPE for Opex and capex which approximates the weighted impact of labour cost premiums in the model, which is the cost category with the clearest visibility. Risk remains in not including chemical, energy or materials RPEs.
ICG response at Final Business Plan	The ICG note this as being a matter for WICS.

Theme	Intergenerational Equity
Issue	3.7
ICG question raised	The ICG recognises that efficiency is matter for WICS, but it would be helpful to know what assumptions have been made by Scottish Water of efficiency gains from Artificial Intelligence (AI) over the period of the review and whether increased efficiency could produce Reference scenario outcomes at lower cost?
Scottish Water response at Draft Business Plan	Scottish Water provided a briefing to ICG in October 2025 outlining that it had considered raising their efficiency of 0.8% to 1% but had decided to remain at a frontier efficiency target of 0.8% given the decision by the Competitions and Markets Authority (CMA) to reduce the target for water companies in England from 1% to 0.7%.
ICG response at Draft Business Plan	The ICG notes that potential savings from AI have not been separately itemised and would welcome further information on the underlying assumptions about the contribution of AI in Scottish Water's efficiency calculations.
Scottish Water response at Final Business Plan	Scottish Water are proposing a 0.8% per annum (pa) efficiency challenge for SR27, largely based on historical levels of productivity. AI and other digital tools will be used to meet this efficiency challenge, and the Transformation programme will promote the opportunities these tools bring. A detailed briefing note has been provided.
ICG response at Final Business Plan	Noted this as being a matter for WICS.

Theme	Affordability
Issue	4.1
ICG question raised	In the context of the long-term pricing profile, why has there been an increase in the charging trajectory of CPI+2% envisaged in the Final Determination for SR21?
Scottish Water response at Draft Business Plan	Scottish Water were not able to provide a briefing at the Draft Business Plan.
ICG response at Draft Business Plan	Awaiting briefing.
Scottish Water response at Final Business Plan	Two briefings have been provided to support answering this question: 1. Setting out the difference between investment spend between SR21 and SR27 2. Setting out broader financial changes since the SR21 Final Determination
ICG response at Final Business Plan	See comments at 2.3.

Theme	**Affordability**
Issue	4.2, 4.3 and 4.4
ICG question raised	Can Scottish Water provide details on how any changes to the discounts for low-income households will impact on (a) pricing for the rest of the customer base and/or (b) on funds available for investment? Can Scottish Water provide details on the cost of the different categories of discount? Is the balance of discounts available to customers right? How does the system of discounts available in Scotland compare to that in England and Wales?
Scottish Water response at Draft Business Plan	Members of the Finance Directorate attended the ICG meeting in June to discuss affordability analysis and suggestions, pre-reading was provided in advance which detailed how discounts impact pricing for the rest of the customer base, the cost of the discounts available and how this compares to similar schemes in England and Wales.
ICG response at Draft Business Plan	Comprehensive briefing provided covering all the issues raised by the ICG including an additional request to show the cross subsidies from higher to lower bands embedded in the system of charging by Council Tax. Question of discounts included as an item in the forthcoming 2025 Charges Research to gain insight for the first time into customer knowledge of, and attitudes to the current system of discounts and exemptions.
Scottish Water response at Final Business Plan	Analysis was presented to ICG in June showing how discounts impact pricing for the rest of the customer base, the cost of the affordability support currently available, how this compares to similar schemes in England and Wales and the impacts of potential changes to the current support. Additional questions were subsequently included in the 2025 charges research to gauge customers understanding and perceptions of current affordability support.
ICG response	The ICG notes that the current system of discounts and exemptions is not well targeted and 20% of the gross revenue collected from

at Final Business Plan	household customers goes to meet the cost. In addition, the "progressive nature" of basing water charges on Council Tax band provides a significant cross subsidy from customers in Bands D-H to those in Bands A-C. The total of these 2 mechanisms amounted to £434m in 2024-25. The ICG would fully support further research into customer views on this issue.

Theme	**Affordability**
Issue	4.5
ICG question raised	Can Scottish Water provide details on the arguments for and against a front-loaded pricing trajectory?
Scottish Water response at Draft Business Plan	Scottish Water set out a smooth pricing trajectory in the Draft Business Plan following feedback from customers. Customers were provided with the following justification for a front-loaded price trajectory in the reconvened customer groups: *"A larger increase earlier means that Scottish Water is able to get started on bigger activities earlier on, and can get better value for money from their suppliers and contractors if they are able to commit to more, earlier on – as suppliers and contractors like knowing that they can be sure of future work."* It was also highlighted that bills in 2032/33 at the end of the regulatory period would be higher following a smooth rather than a front-loaded price trajectory. However, the overall amount that would be paid would be broadly similar.
ICG response at Draft Business Plan	Although the disadvantages, also cited by customers in the reconvened Accent research are not fully articulated e.g. the impact on affordability of a front-loaded trajectory particularly after a series of steep price hikes (+35% over the period 2023-27); reputational damage and loss of trust; skepticism about lower future rises in a volatile inflation climate. While the Draft Business Plan incorporates (Chapter 10) the customer feedback that a smooth trajectory is the more acceptable way of introducing price increases, the ICG

	considers that more space could have been given to the reasons for the customer view. The ICG is content that the Draft Business Plan incorporates (Chapter 10) customer feedback that a smooth trajectory is the more acceptable way of introducing price increases. The ICG will wish to keep the issue of front loading under review. Should it become a matter for the Final Business Plan, the ICG would look for any proposal to be tested with a statistically representative sample of customers.
Scottish Water response at Final Business Plan	Based on feedback from customers, the Final Business Plan proposes a smooth pricing trajectory.
ICG response at Final Business Plan	Noted and the Scottish Water response is welcomed by the ICG.

Theme	**Affordability**
Issue	4.6
ICG question raised	From the research over the past 10 years or so, can Scottish Water provide a synthesis of the insights into what customers regard as reasonable/affordable?
Scottish Water response at Draft Business Plan	Research synthesis on this topic was not available for the Draft Business Plan; however, it will be developed ahead of the Final Business Plan.

ICG response at Draft Business Plan	The ICG welcomes this response. Results awaited. (See above re. trajectories) and looks forward to discussion with Scottish Water when the outcome is available
Scottish Water response at Final Business Plan	Research synthesis on this topic has been provided to the ICG.
ICG response at Final Business Plan	Noted.

Theme	**Standards of Service**
Issue	5.1 and 5.2
ICG question raised	Can Scottish Water provide information on the standards of service that will be offered in the Business Plan and evidence of how these have been tested with customers? Can a synthesis of customer views on standards of service e.g. duration of planned/unplanned interruptions to supply be provided?
Scottish Water response at Draft Business Plan	Details of the standards of service were provided in the Performance Monitoring Technical Appendix to the Draft Business Plan and supporting data tables. Consideration of this area of challenge has also raised a number of business-as-usual (BAU) activities, including the Community MAP, analysis on 'chaser' contacts', FlexLA allowing clearer commitments to be made on service levels, and 'Our promises to customers' as detailed in our Code of Practice which is a live document informed by transformation and business improvement. Details on all these activities will be provided to the ICG but remain out with the remit of SR27.

ICG response at Draft Business Plan	The ICG welcomes the activities and advances which have been made in this area (and has contributed to the development of many of them). The ICG is content that these issues should be pursued as business-as-usual, including a need for future research into this area, bearing in mind that a customer priority is that they do not wish to see any diminution in the standard of service and that in some areas explicit standards have not been set. The ICG may have further comments to offer in feedback on the Draft Business Plan in relation to performance monitoring and targets.
Scottish Water response at Final Business Plan	Scottish Water is pleased to have the support and challenge of the ICG both within the Strategic Review process and as business as usual. Once the Final Business Plan is published, Scottish Water and the ICG will be able to turn attention to more BAU activities and ensure that standards of service as detailed in our Code of Practice continue to meet customer expectations. See responses to challenges under 6. Performance Monitoring below for further details on how outcome measures have reflected customer views.
ICG response at Final Business Plan	The ICG welcomes the much clearer and firmer commitments in the Final Business Plan to improving customer experience, maintaining and enhancing resources for customer research and campaigns, for developing services to vulnerable customers on the priority service register, and for developing measures to assess outcomes from this activity.

Theme	**Standards of Service**
Issue	5.3
ICG question raised	Can Scottish Water provide information on their approach to support for priority service customers and what the offer/package of support will be in the Business Plan?

Scottish Water response at Draft Business Plan	Priority Service Register (PSR) services are one of six key priority areas outlined in the Customer and Community Technical Appendix, with further development and commitment to service for customers with vulnerabilities.
ICG response at Draft Business Plan	The ICG welcomes the increased resource being made available but has concerns that there are no details on what will be provided for PSR customers, what actual activities and targets are planned, or how Scottish Water will "evolve" this service. The ICG has been pressing for some time for a strategy in this area indicating the scale of Scottish Water's ambition and the service offering. The ICG is content to pursue this under BAU and will seek early discussions with Scottish Water.
Scottish Water response at Final Business Plan	PSR services remain one of seven key priority areas outlined in the Customer and Community Technical Appendix, and clearer commitments have been made in the Final Business Plan to this activity. Scottish Water will continue to work with the ICG in their BAU role to develop the activities and commitments in this area ahead of the SR27 beginning.
ICG Response at Final Business Plan	The ICG welcomes the much clearer and firmer commitments in the Final Business Plan to improving customer experience, maintaining and enhancing resources for customer research and campaigns, for developing services to vulnerable customers on the priority service register, and for developing measures to assess outcomes from this activity.

Theme	**Performance Monitoring**
Issue	6.1, 6.2 and 6.3
ICG question raised	Can Scottish Water provide information on how the key performance measures (in WICS methodology) align with customer priorities highlighting any gaps or areas of misalignment and how these will be addressed?

	Can Scottish Water provide assurance that any performance targets set for SR27 will align with Customer priorities? Will Scottish Water be able to track whether higher prices are delivering better outcomes in the areas that matter to customers?
Scottish Water response at Draft Business Plan	The Performance Monitoring Technical Appendix to the Draft Business Plan considers customers' perspectives from research which were used to inform the outcome measures being brought forward.
ICG response at Draft Business Plan	The ICG will offer comments in feedback on the Draft Business Plan.
Scottish Water response at Final Business Plan	In feedback on the Draft Business Plan, the ICG welcomed the target reduction in leakage, and repeat interruptions to supply (ITS), but had concerns there will be a deterioration in water taste and odour contacts and external sewer flooding. The ICG also provided comment on the short-term impacts to the internal sewer flooding register; the low pressure register as an adequate measure of the extent of the problem; and the value of a 2040 net zero target. As Scottish Water have adjusted the reference scenario in the Final Business Plan there have been consequential impacts on the outcome projections noted above, these are: • Reduction in funding for the replacement of AC mains has meant a reduction in the projected outcome for repeat ITS. • Water quality projected outcomes for taste and odour contacts have been revised to be stable over the period, rather than have a decline and discoloration to improve. • Protected investment in internal sewer flooding but recognise that this will still lead to short-term impacts. Scottish Water are also seeking to maximise the use of mitigation measures to reach more customers at risk of sewer flooding. To enable the strategy for sewer flooding to develop Scottish Water

	propose to report this metric to a forum of stakeholders to ensure that the resources are used most effectively to resolve and protect customers and communities and develop the wider surface water management.
ICG response at Final Business Plan	Noted; See response at 2.6 on flooding.

Consumer duty impact assessment template

1.1 This is a proposed template for completing a consumer duty impact assessment, as referred to in Annex F of How to meet the consumer duty: guidance for public authorities (draft).

Template

Stage	Tasks	Outcome
Planning (1)	Decide if this is a strategic decision or not. If not, then proceed to **stage 5**	**Yes.** Approval of the SR27 Final Business Plan will be made by the Scottish Water Board, affects how Scottish Water fulfils its intended purpose and has long-term implications for service delivery and investment.
	Decide if the strategic decision will impact on consumers. If not, then proceed to **stage 5**	**Yes.** The SR27 Final Business Plan will impact household and non-household customers' service and charges.
	If this is a strategic decision, that will have an impact on consumers, then develop a plan for how to complete **stages 2-5**, including required consumer engagement	A programme of customer research has been developed in collaboration with the Independent Customer Group and Consumer Scotland. Research is conducted at critical decision points for the Draft Business Plan and Final Business Plan to ensure the customer voice can be incorporated. A research synthesis approach has also been developed to utilise the breadth of customer research Scottish Water has collected over the past 10 years. Insight from this synthesis is used to inform early elements of development of the business plan, including the initial 'Zone of Acceptability'.

	Understand the aims and outcomes of the proposal and identify alternative options	Scottish Water must produce a Final Business Plan that sets out what it proposes to deliver for the people of Scotland over the next regulatory period (2027-2033, known as SR27). The Final Business Plan must make progress towards long-term ambitions, meet customer and stakeholder expectations and be efficient. Throughout development of the Final Business Plan there have been alternative scenarios as well as a core reference scenario which have allowed alternative options to be identified and tested with customers. In getting to the core and alternative scenarios a significant amount of optioneering has occurred within the investment planning scenario, carefully considering the needs and potential solutions required. A Memorandum of Understanding for Customer Engagement was signed by Scottish Water, Consumer Scotland and the Water Industry Commission for Scotland. It set out three pillars of work: **Evidence**: to establish customers views on issues relating to the Business Plan through a co-ordinated programme of customer research and analysis. This evidence base will be core to the development of Scottish Water's Business Plan. **Independent Challenge**: independent, evidence-based challenge should be carried out by the Independent Customer Group who are tasked with understanding customer interests and representing these. **Confirmation**: a significant innovation for SRC27, introducing a direct customer input on whether Scottish Water's Final Business Plan commands their support. This will help demonstrate to Ministers that the Final Determination commands customers' support. The full Memorandum of Understanding can be found on the Water Industry Commission for Scotland's website: Customer Engagement MOU
Evidence gathering (2)	Sufficient evidence gathered to answer:	 The SR27 Business Plan is looking to propose the correct plan to ensure that SW continues to deliver sustainable and affordable water services, meets the

	• What is the proposal trying to achieve? • What are the impacts on consumers, if any? • What are the impacts, if any, on consumers in vulnerable circumstances? • Is it likely that harm will be experienced by consumers as a result of this proposal? • What alternative proposals are there that can improve outcomes for consumers and/or reduce harm to consumers? • How do these alternative proposals compare to the original proposal? • Has your engagement with consumers established any themes you hadn't previously considered?	MOs, and customer expectations at the most efficient price for the period 2027 – 2033. The impact to customers is a plan which delivers the provision of clean water and the collection treatment and return of waste water which is a fundamental service that impacts everyone in Scotland. The price of that service impacts on bill payers. Service impacts can have a disproportionate detrimental impact particularly on vulnerable customers. The business plan is carefully balanced in response to feedback from customers, alternative proposals to reduce cost would increase risk of impact on customers caused by equipment failure. Reducing risk of service failure would impact of size of bill faced by customers. Two workable alternative scenarios are provided in the plan. The evidence base for the Final Business Plan is scrutinised by the Water Industry Commission for Scotland and other key sector stakeholders (Consumer Scotland, Independent Customer Group, SEPA and DWQR). Evidence is contained within [19] Technical Appendices: **TA001 – Water Quality** **TA002 – Water Continuity** **TA003 – Water Environment** **TA004 – Managing Quantity of Flows** **TA005 – Enabling Growth** **TA006 – Climate Change Adaptation** **TA007 – Climate Change Mitigation** **TA008 – Investment Planning** **TA009 – Customer Research** **TA010 – West Central Bioresources** **TA011 – Supply Chain** **TA012 – Efficiency** **TA013 – Financial Strength** **TA014 – Performance Monitoring**

		TA015 – Customers & Communities **TA016 – People** **TA017 – Digital** **TA018 – Transformation & Innovation** **TA019 –Assurance** The Customer Research Technical Appendix details how Scottish Water has understood customer needs and expectations, ensuring that the full customer base has been listened to, including household and non-household customers and those who are difficult to research. Other key Technical Appendices include relevant customer feedback from the Research Synthesis and SR27 research programme, and explain how the proposals have taken on board the views of customers. The Investment Planning Technical Appendix provides an overview of how Scottish Water have developed the SR27 Investment Planning Scenario, from Draft to Final, and how customer research has fully informed our Final Business Plan.
	Identify and fill any gaps in evidence to answer questions above	It was not possible to quantitatively test the affordability of the Final Business Plan proposal due to time constraints.
Assessment and improvement of proposal (3)	Consider answers to **stage 2** to assess the impact of the strategic decision on consumers	The Final Business Plan sets out a level of investment which will ensure Scottish Water can maintain levels of service at a minimum and improve them where appropriate. Customer affordability has been considered and choices made to defer investment and change financial assumptions to bring overall customer charges down.
	Consider if any improvements need to be made to the initial proposal	Improvements were made to the initial proposal made in the Draft Business Plan to respond to feedback from customers on cost and service. Our response was to amend the plan to ensure customer charges were reduced

	in light of findings of impact on consumers	but service improvements which were of most importance to customers were protected.
	Consider if any further consumer engagement is necessary	The final charge level proposed in the Final Business Plan has not been tested with customers in quantitative research, and therefore it is not possible to assess whether it is affordable. Scottish Water will continue to work closely with the Independent Customer Group, Consumer Scotland and WICS as we proceed through the Draft and Final Determination stages of the Strategic Review process to assess if any further customer research is required.
Decision (4)	Consider the findings of previous stages and agree any changes to the proposal	The Final Business Plan sets out a level of investment which will ensure Scottish Water can maintain levels of service at a minimum and improve them where appropriate. Customer affordability has been considered and choices made to defer investment and change financial assumptions to bring overall customer charges down.
	Document clearly how you have met the consumer duty: • The impact of the strategic decision on consumers and the desirability of reducing harm to consumers have been considered throughout the process • That an outcomes-based approach has been taken to achieve the best outcomes for consumers.	Findings from customer research led to several recommendations which have shaped the Business Plan, these recommendations were: • Affordability is a concern for household customers, particularly household customers with lower incomes. • The outcomes proposed in the Draft Business Plan are broadly acceptable to customers, although care is needed to ensure that outcomes related to internal and external sewer flooding are not eroded over SR27. • Customers’ personal views on whether climate change is an urgent problem can impact the overall acceptability of Scottish Water’s plans for SR27. • Communicating plans for SR27 in the context of long-term outcomes and challenges has a significant impact on acceptability.

Publication (5)	The Consumer Scotland 2020 Act requires public authorities to publish information about the steps which they have taken to meet the duty.	Scottish Water will publish all Technical Appendices alongside the Final Business Plan, and will also publish all supporting customer research reports, including the Research Synthesis Report.

Strategic Environmental Assessment

Pre-screening Notification

Responsible Authority:	Scottish Water (as public corporation, directly accountable to Scottish Ministers and the Scottish Parliament)
Title of the plan:	Strategic Review of Charges 2027 – 2033 Business Plan
What prompted the plan: (e.g. a legislative, regulatory or administrative provision)	The Strategic Review of Charges is the process undertaken by the Water Industry Commission for Scotland (WICS) – the independent regulator of Scottish Water – to determine the charges payable by Scottish Water's customers for the next regulatory period. It is a regulatory requirement undertaken every 6 years. Scottish Water has developed a Strategic Review of Charges 2027-33 Draft Business Plan, and will publish their Final Business Plan in February 2026. The Final Business Plan is the focus of this Strategic Environmental Assessment. This Final Business Plan will detail the investment required to meet the Ministerial Objectives, set by Scottish Ministers and requirements of regulators, including Drinking Water Quality Regulator (DWQR) and Scottish Environment Protection Agency (SEPA) during the period, 2027 – 2033.
Plan subject: (e.g. transport)	Water and waste water management
Brief summary of the plan: (including the area or location to which the plan related)	Every six years, the Water Industry Commission for Scotland (WICS) examines the funding that Scottish Water needs to provide high-quality water and waste water services both now and into the future, ensuring that Scottish Water can adapt and evolve to meet key challenges, including the uncertainty of climate change, whilst continuing to provide water and waste water services to customers. WICS do this by determining the level of revenue Scottish Water must collect through charges to deliver the Ministerial Objectives set for it by Scottish Ministers. This will be made available in October 2026, as part of the Final Determination. The Strategic Review of Charges Business Plan covers a six-year period, 2027-33 (SRC27). It is a regulatory requirement that sets out the proposed investment for the period, it is then supported by a more detailed Delivery Plan published ahead of the start of the period. It will focus on: • Maintaining high standards of service and reliability • Improving the evidence and analysis which supports decision-making • Investing for a sustainable industry at lowest reasonable overall cost • Placing customers at the heart of the decision-making

Brief summary of the likely environmental consequences: (including whether it has been determined that the plan is likely to have no or minimum effects, either directly or indirectly)	The Strategic Review of Charges 2027-33 Final Business Plan will be developed in the context of Scottish Water's Long-Term Strategy. The Business Plan outlines the investment required to meet the Long-Term Outcomes outlined in the Long-Term Strategy, whilst complying with Ministerial Objectives and regulatory requirements: • Scotland's tap water remains a source of national pride and is valued as a precious resource. • The quality of our rivers and seas has improved, and our communities are protected from sewer flooding, through collaboration with others. • Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth. The Strategic Review of Charges 2027-33 Final Business Plan will be supported by a detailed Delivery Plan.
Brief summary of how environmental principles have been considered: (including whether any of the guiding principles, as set out in section 13 of the Continuity Act, are relevant to the plan)	The Strategic Review of Charges 2027-33 Final Business Plan outlines the resourcing and investment required for the duration of the regulatory period (6 years). The Business Plan will be supported by a detailed Delivery Plan that will set targets and provide supplementary information associated with delivery for the regulatory period and will be subject to consideration against the Strategic Environmental Assessment requirements.
Contact details:	
Date of opinion:	

When completed send to: SEA.gateway@gov.scot or to SEA Gateway, Scottish Government, Area 2F (South), Victoria Quay, Edinburgh, EH6 6QQ

Completion guidance (Please delete this page before submission)
Link to SEA Guidance: Strategic Environmental Assessment: guidance - gov.scot (www.gov.scot)

Box 1	Name of the organisation that is responsible for the plan. **Note:** The Responsible Authority is any person, body or office holder exercising functions of a public character. Where more than one authority is responsible for a plan they should reach an agreement as to who is responsible for the SEA. Where an agreement cannot be reached, the Scottish Ministers can make the determination (Extract from SEA Guidance: Glossary (Page 50)).
Box 2	Name of the plan. **Note:** The 2005 Act applies to plans which relate to matters of a public character. The term 'plan' within guidance also covers policy, programme and strategy (Extract from SEA Guidance: Glossary (Page 50)).
Box 3	In terms of pre-screening, knowing why a plan is being produced is one of the key components in understanding whether exemption is an option.
Box 4	The 2005 Act outlines the sectors as agriculture, forestry, fisheries, energy, industry, transport, waste management, water management, telecommunications, tourism, town & country planning and land use.
Box 5	The name of the plan alone can seldom offer sufficient information to understand what it covers and why it has been considered suitable for pre-screening. The description of the plan being pre-screened has to contain sufficient information to allow those reading the notification to understand the objectives of the plan and how the Responsible Authority aims to deliver them. Brief descriptive information such as the area or location of the plan is required by the 2005 Act, but it can also prove helpful to include additional information in a summary, such as whether the plan is expected to improve or strengthen the current approach, the reason the plan is being prepared, who it would apply to and the timescale for delivery. This type of information can help paint a clear picture of whether pre-screening was suitable in the circumstances.
Box 6	As only those plans that have no or minimal effects on the environment can be pre-screened, it is important for a Responsible Authority to use the criteria detailed in Schedule 2 of the Environmental Assessment (Scotland) Act 2005 as a guide to providing a description of the likely environmental effects. This approach supports the transparency of the assessment process, whilst helping to ensure Responsible Authorities remain compliant with the requirements of this self-exemption route. Similarly to Box 5 above, it can prove helpful if a Responsible Authority provides additional information, such as a summary of the reasons why the plan will have no more than minimal effects on the environment, including any intrinsic mitigation, as well as any existing or future assessment needs within the plan hierarchy. In those cases where a Responsible Authority is uncertain of the scope of the likely environmental effects, pre-screening is not recommended. In this scenario, screening the plan is likely to be a better option.
Box 7	Section 15 of the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2020 places a duty on public authorities to have due regard to the guiding principles on the environment when preparing a plan, programme or strategy requiring a SEA under the 2005 Act. Whilst not yet in force, it is important that the guiding principles are considered in all policy development.

Please note:
(A) The plan has to fall into Section 5(4) of the Environmental Assessment (Scotland) Act 2005
(B) You should apply the criteria specified within Schedule 2 of this Act to reach a conclusion on no or minimal environmental effects: www.legislation.gov.uk/asp/2005/15/contents