

PUBLIC SERVICES REFORM (SCOTLAND) ACT 2010 DISCLOSURES

Disclosures for the financial year 2022-23



**Scottish
Water**

Trusted to serve Scotland

Introduction

The **Public Services Reform (Scotland) Act 2010** requires public bodies to publish information on certain expenditure and activities. Under this Act, we have a duty to publish the following information:

- Details of any expenditure incurred on public relations, overseas travel, hospitality and entertainment, and external consultancy.
- The number of individuals (if any) who received remuneration in excess of £150,000.
- Payments with a value in excess of £25,000. This includes all payments in excess of this figure but excludes payments to employees.
- A statement of the steps taken during the year to promote and increase sustainable growth.
- A statement of the steps taken during the year to improve efficiency, economy and effectiveness.

Information relating to Scottish Water is shown below for the financial year ended **31st March 2023**.

Expenditure Details for the Period April 2022 to March 2023

Type of Expenditure	£
Public Relations	£689,093
Overseas Travel:	
- In connection to Scottish Water business	£43,785
- In connection with Scottish Water Horizons Ltd international business	£11,281
Hospitality & Entertainment	£46,183
External Consultancy	£10,995,794

Remuneration – Members and Employees	
No Of Members or Employees receiving Remuneration in Excess of £150,000	12

Payments with a value in excess of £25,000

Scottish Water publishes a report of payments with a value over £25,000 on annual basis. Please see link below for the report covering transactions from April 2022 to March 2023.

[report for 2022-23 to be added here as a link]

Statement of the steps taken during the year to promote and increase sustainable growth

Our purpose is to support a flourishing Scotland through being trusted to care for the water on which we all depend. We supply water and waste water services to households and are also the wholesaler to 24 Licensed Providers who operate in the water and waste water retail market for business customers in Scotland. Using Scotland’s natural resources, our assets and the skills of our people, we are committed to improving our services for customers and communities while protecting and enhancing the environment of Scotland.

2022/23 has been among the most challenging we have ever faced. We have seen a number of challenges to maintaining the level of service we provide customers from failures of our assets, for example in ageing asbestos cement water pipes. While we are investing more money each year in asset repair, refurbishment and replacement, the age and deteriorating condition of some of our assets, coupled with the impact of climate change, mean it is likely we will continue to face greater numbers of incidents. This would unfortunately impact on the services provided to our customers and their communities. Despite these challenges the

response of our frontline employees has been excellent again and we managed to maintain performance in many of our key performance metrics at or around the same level as last year.

Scottish Water has the ambition to be a Net Zero organisation by 2040, five years ahead of the Scottish Government's national target. This requires radical changes to both operational and investment activities. In 2022/23 we achieved our emissions reduction target despite a number of significant challenges, including many beyond our control. We made good progress in reducing our carbon emissions, delivering 15,681 tCO₂ e (cumulative) since 2021.

A total of 46GWh of renewable power was generated on-site in 2022/23, with our PFI partners generating a further 28GWh from biogases produced by waste water treatment processes. Renewable energy sources are a vital part of reducing our operational emissions. We continue to progress the delivery of renewable solar and hydro schemes, with 7.8GWh of new capacity delivered in 2022/23, a fourfold increase on the previous year. Nine projects were delivered in the year and the plan is to deliver more than 20 projects in 2023/24 including the construction of our first waste water hydro scheme at Hamilton Waste Water Treatment Works.

Our investment programme is one of the largest infrastructure programmes in Scotland – delivering the vital assets that enable us to maintain and improve the water and waste water services people depend on every day – and supporting growth and development to ensure that communities can flourish. And we are investing at record levels. As we all know Scotland's communities can only flourish with the fit-for-purpose infrastructure – cities, towns and villages need our below ground pipes and our treatment works to be future proof.

In 2022/23 we significantly increased the amount of planned investment delivered - we invested £694 million, up from £623 million in 2021/22. Total investment on a regulated accounting basis which includes responsive repair and refurbishment expenditure totalled £886 million, up £92 million on the previous year.

Statement of the steps taken during the year to improve efficiency, economy and effectiveness in the exercise of SW's functions

Our ongoing work to transform how we operate is essential to ensure we are able to increase investment, maintain services to customers and protect the environment in the face of climate change and the deterioration of ageing assets. Our Plan for Transformation is made up of a number of different elements that all play a key part in helping us ensure our services are fit for the future. At the same time we know we must continue to perform at the highest level possible while we transform. A number of initiatives are already delivering service benefits, these include work to reduce and ultimately prevent pollution incidents and also to provide quicker delivery of investment in our assets.

Future Transformation Projects include:

- more monitors on the water network to help us reduce risks to supply and make it quicker to locate bursts when they happen. This includes placing monitors upstream to enable us to quickly take proactive action to prevent customer issues.
- upskilling our workforce in analytics to help us better understand new data which will be made available across the organisation; to help deliver quicker, smarter resolutions to issues and improve our decision making.
- customer-focused improvements in Development Services targeting end-to-end processes with the aim of reducing complaint volumes, reducing overtime by simplifying and removing processes and increasing productivity."

[The statements above are based on commentary from the Annual Report & Accounts for 2022/23]