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## DIRECTIONS

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### ENVIRONMENTAL PROTECTION

### WATER SUPPLY

## The Scottish Water (Objectives: 2015 to 2021) Directions 2014

*Made* - - - - *1st October 2014*

*Coming into force* - - *2nd October 2014*

The Scottish Ministers give the following Directions to Scottish Water in exercise of the powers conferred by sections 56 and 56A of the Water Industry (Scotland) Act 2002(a).

In accordance with section 56(4) of that Act, the Scottish Ministers have consulted Scottish Water.

In accordance with section 56A(4) of that Act, the Scottish Ministers have consulted every water services provider and sewerage services provider and Citizens Advice Scotland.

#### **Citation and commencement**

1.—(1) These Directions may be cited as the Scottish Water (Objectives: 2015 to 2021) Directions 2014 and, except for article 5, come into force on 2nd October 2014.

(2) Article 5 comes into force on 1st April 2015.

#### **Interpretation**

2.—(1) In these Directions—

“the 2005 Act” means the Water Services etc. (Scotland) Act 2005(b);

“the Act” means the Water Industry (Scotland) Act 2002(c);

“core functions” has the same meaning as it has in section 70(2) of the Act;

“the next period” means the next period (beginning with 1st April 2021) to be specified under section 29B(2) of the Act;

“the period” means the period beginning with 1st April 2015 and ending with 31st March 2021;

“previous objective” means an objective (as it applied immediately before 1st April 2015) specified in the Schedule to the Scottish Water (Objectives For 1st April 2010 to 31st March 2015) Directions 2009, as amended by the Schedule to the Scottish Water (Objectives For 1st April 2010 to 31st March 2015) (Amendment) Directions 2011 and by article 3 of the Scottish Water (Objectives for 1st April 2010 to 31st March 2015) Amendment Directions 2014;

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(a) 2002 asp 3; section 56A was inserted by section 22 of the Water Services etc. (Scotland) Act 2005 (asp 3) and amended by section 130(6) of, and paragraph 12 of schedule 2 to the Public Services Reform (Scotland) Act 2010 (asp 8).

(b) 2005 asp 3.

(c) 2002 asp 3.

“previous service or standard” means a service to be provided or a standard to be attained as set out in the previous Technical Expression;

“previous Technical Expression” means document “Q&S3B Technical Expression 2010 Directions”, as last amended and published on the Scottish Government’s website before 1st April 2015;

“public sewerage system” has the same meaning as it has in section 29 of the 2005 Act;

“Schedule” means the Schedule to these Directions headed “Schedule to the Scottish Water (Objectives: 2015 to 2021) Directions 2014” (which comprises part of these Directions);

“SEPA” means the Scottish Environment Protection Agency;

“service” means a service provided by Scottish Water in the exercise of its core functions;

“sewerage services provider” has the same meaning as it has in section 6(4) of the 2005 Act;

“standard to be attained” means the standard of a service to be attained;

“Technical Expression” means the document “Q&S4 Technical Expression 2014 Directions” as amended from time to time and published on the Scottish Government’s website; and

“water services provider” has the same meaning as it has in section 6(2) of the 2005 Act.

(2) In these Directions—

(a) a reference to a numbered article refers to the paragraph so numbered (other than a paragraph in the Schedule); and

(b) a reference in the Schedule to an enactment refers to that enactment as amended from time to time and, in so far as a provision of the enactment has been repealed (or revoked) and re-enacted (with or without modifications), includes that re-enacted provision.

#### **Objectives as to the standard of services**

3. In respect of the period, Scottish Water must (except to the extent that it would be inconsistent with the exercise of its functions) fulfil—

(a) each objective (as to the standard of a service) set in the Schedule; and

(b) each previous objective, in so far as it has not been fulfilled before 1st April 2015.

#### **Objectives as to work for or in connection with services**

4. In respect of the period, Scottish Water must (except to the extent that it would be inconsistent with the exercise of its functions)—

(a) for each service to be provided (or standard to be attained) as set out in the Technical Expression plan to complete that work by the date or, as the case may be, within such period as may be specified for completing the work in the Technical Expression or as agreed with the Scottish Ministers in a Delivery Plan;

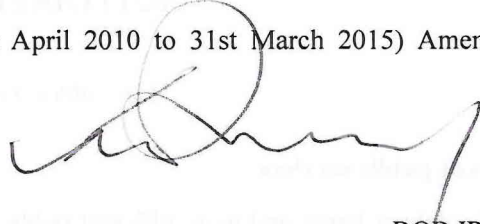
(b) where work required in connection with the provision of a previous service or standard has not been completed before 1st April 2021, plan to complete the work by the date or, as the case may be, within such period as may be specified for completing the work in the Technical Expression or as agreed with the Scottish Ministers in a Delivery Plan; and

(c) plan the work so as to provide a stable delivery profile for the construction industry to support efficient delivery across regulatory periods.

**Revocations**

5. The following Directions are revoked—

- (a) the Scottish Water (Objectives For 1st April 2010 to 31st March 2015) Directions 2009;
- (b) the Scottish Water (Objectives For 1st April 2010 to 31st March 2015) (Amendment) Directions 2011; and
- (c) the Scottish Water (Objectives for 1st April 2010 to 31st March 2015) Amendment Directions 2014.



**BOB IRVINE**

A member of the staff of the Scottish Ministers

St Andrew's House,  
Edinburgh  
1st October 2014



## SCHEDULE

Articles 2(1) and 3(a)

### SCHEDULE TO THE SCOTTISH WATER (OBJECTIVES: 2015 TO 2021) DIRECTIONS 2014

*A wealthier and fairer Scotland*

#### **Efficient public services**

1. To deliver better and more efficient public services that enhance our quality of life, support sustainable economic growth and assure those that fund and rely on them that their public services are responsive, provide value for money and are continually improving, Scottish Water must—

- (a) ensure that assets are maintained so that there is no overall deterioration in performance from that required to be achieved immediately before 1st April 2015;
- (b) improve services to customers in relation to the measures listed(a); and
- (c) ensure that performance, as measured by the Overall Performance Assessment, exceeds an average score across the period of 382.5.

2.—(1) To support a wealthier and fairer Scotland and Scotland's vision for a Hydro Nation, Scottish Water must identify and deliver longer term investments which will reduce the future costs of service delivery.

(2) In particular, Scottish Water must work with other stakeholders to identify and pursue opportunities available to achieve more innovative and sustainable means of delivering services.

#### **Rural communities**

3. To support the delivery of the Government's priorities in rural communities, in particular with a view to improving water and sewerage provision in rural areas, Scottish Water must—

- (a) assist the Drinking Water Quality Regulator for Scotland and SEPA with the assessment of the sustainable and cost effective options to address the—
  - (i) public health risks;
  - (ii) limitations to sustainable economic growth; and
  - (iii) customer willingness to connect to public water and sewerage services associated with community private water supplies and sewerage provision; and
- (b) facilitate the provision to communities of appropriate water and/or wastewater services, as approved by the Scottish Ministers.

#### **Strategic capacity for new development objectives**

4.—(1) Scottish Water must identify and make provision to enable it to service demand for new strategic capacity to meet all new housing development and the domestic requirements of commercial and industrial customers for the period.

(2) In doing so, Scottish Water must take account of—

- (a) historical trends;
- (b) extant development plans and their associated action programmes;
- (c) the national records of Scotland's population projections; and

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(a) Measures include internal sewer flooding, interruptions to supply, malodour, external sewer flooding, drinking water discolouration, taste and odour of drinking water supplies, customer satisfaction.

- (d) any memorandum of understanding or other agreement with SEPA on the impact of proposed development on the public sewerage system.
- (3) Scottish Water must prioritise the delivery of provision required by sub-paragraph (1) in accordance with—
  - (a) the spatial priorities identified in the National Planning Framework; and
  - (b) development priorities identified by local authorities in—
    - (i) structure plans;
    - (ii) strategic development plans;
    - (iii) associated action programmes;
    - (iv) local plans;
    - (v) local development plans; and
    - (vi) local housing strategies.
- (4) Scottish Water must ensure that such strategic assets are delivered in support of committed development so as to minimise the likelihood of redundant assets.
- (5) With a view to establishing whether a development is committed, Scottish Water must, among other things, obtain from the developer confirmation—
  - (a) of land ownership or control;
  - (b) that the development is supported by the local plan and/or has full planning permission;
  - (c) of the time remaining on the current planning permission;
  - (d) that plans are in place to mitigate any network constraints that will be created by the development through a minute of agreement with Scottish Water; and
  - (e) of reasonable proposals in terms of annual build rate within the approved development.

*A healthier Scotland*

**Drinking water quality**

5. To support the delivery of the Scottish Government's healthier strategic objective, Scottish Water must contribute to improvements that help people to sustain and improve their health, Scottish Water must—

- (a) address all current known non-compliances with—
  - (i) the Water Supply (Water Quality) (Scotland) Regulations 2001(a); and
  - (ii) the Cryptosporidium (Scottish Water) Directions 2003(b);
- (b) reduce the risk of non-compliance with—
  - (i) those Regulations; and
  - (ii) those Directions,by improving the resilience to risks as identified in its drinking water safety plans; and
- (c) assist the Drinking Water Quality Regulator for Scotland with the assessment of a long-term policy to reduce or, as the case may be, eliminate exposure to lead in drinking water.

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(a) S.S.I. 2001/207, as amended by S.S.I. 2001/238, S.S.I. 2003/331, S.S.I. 2010/95, S.S.I. 2013/177 and S.I. 2013/1387.

(b) These Directions were made by the Scottish Ministers in exercise of powers conferred by section 56(3) of the Water Industry (Scotland) Act 2002 (asp 3) and came into force on 31st December 2003.



## **Environment**

6.—(1) To support the delivery of the Scottish Government’s greener strategic objective, Scottish Water must contribute to improvements to Scotland’s natural and built environment and the sustainable use and enjoyment of it.

(2) In particular, to support compliance with the Water Environment and Water Services (Scotland) Act 2003(a), the Marine Strategy Regulations 2010(b), the Bathing Waters (Scotland) Regulations 2008(c) and the Urban Wastewater Treatment (Scotland) Regulations 1994(d), Scottish Water must—

- (a) reduce the impact of its discharges, abstractions and impoundments so as to contribute to the achievement of the environmental objectives for water bodies and protected areas listed in each associated river basin management plan, and do so in accordance with each programme of measures to be applied to achieve those objectives including by virtue of—
  - (i) the Water Environment (River Basin Management Planning: Further Provision) (Scotland) Regulations 2013(e);
  - (ii) the Water Environment (Water Framework Directive) (Solway Tweed River Basin District) Regulations 2004(f);
  - (iii) the Water Environment (Water Framework Directive) (Northumbria River Basin District) Regulations 2003(g); and
  - (iv) the Water Environment (Shellfish Water Protected Areas: Environmental Objectives etc.) (Scotland) Regulations 2013(h);
- (b) monitor and study the impact of its discharges on bathing waters and take action where necessary to reduce that impact so as to contribute to the achievement of the environmental objectives referred to in sub-paragraph (2)(a);
- (c) undertake strategic studies to understand future investment requirements for discharges and abstractions identified as potentially contributing to—
  - (i) a non-compliance with legislation referred to in sub-paragraph (2)(a); or
  - (ii) a failure to meet the environmental objectives referred to in sub-paragraph (2)(a);
- (d) work with SEPA, water services providers and sewerage services providers (as appropriate) to undertake catchment management and customer education to reduce the impact of priority substances being disposed of via the sewer and drainage system;
- (e) undertake research to assist in identifying the effective treatment of priority substances that catchment management may not be successful in reducing to acceptable levels;
- (f) improve intermittent discharges identified through modelling, and agreed with SEPA, as downgrading the aesthetic or environmental condition of water bodies to support compliance with the Urban Wastewater Treatment (Scotland) Regulations 1994; and
- (g) take steps, in partnership with other stakeholders, to reduce the impact of its discharges on sewage-related litter in the marine environment.

(3) In sub-paragraph (2)(d) and (e), “priority substances” has the same meaning as it has in Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy(a), as amended from time to time.

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(a) 2003 asp 3.  
(b) S.I. 2010/1627.  
(c) S.S.I. 2008/170, as amended by S.S.I. 2012/243.  
(d) S.S.I. 1994/2842, as amended by S.S.I. 2003/273.  
(e) S.S.I. 2013/323.  
(f) S.I. 2004/99.  
(g) S.I. 2003/3245.  
(h) S.S.I. 2013/325.

## Nature

7. To support the achievement of the Scottish Government's targets for the proportion of natural features in favourable condition, Scottish Water must work with Scottish Natural Heritage to identify and undertake management activities at identified sites that will contribute to achievement of the national indicator 'Improve the condition of protected nature sites'.

## Waste

8. Scottish Water must manage the environmental risk associated with sludge historically stored at wastewater and water treatment sites as agreed with SEPA.

## Climate change adaptation

9. Scottish Water must improve Scotland's resilience to climate change by—
- (a) continuing to invest in modelling the likely impact of climate change on its assets; and
  - (b) where appropriate, investing to manage risks arising from climate change impacts.

## Climate change mitigation

10.—(1) Scottish Water must contribute towards Scotland meeting its climate change obligations of achieving greenhouse gas emissions reductions in Scotland of 42% by 2020, and of 80% by 2050, by taking all necessary steps to fulfil its duties and obligations required of it as set out in the Climate Change (Scotland) Act 2009(b).

- (2) In particular, Scottish Water must—
- (a) work with relevant stakeholders to assess, pilot, and where appropriate, implement measures needed to reduce its direct greenhouse gas emissions and energy usage;
  - (b) ensure that all investments made as a consequence of these Directions take into account the associated carbon impact; and
  - (c) invest to reduce its demand for Scotland's resources (water and electricity from the national grid) where it is cost effective to do so.

*A safer and stronger Scotland*

## Flood risk management

11.—(1) To support the Scottish Government's safer and stronger strategic objective, Scottish Water must assist local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

(2) In particular, Scottish Water must, as regards flood management, take all necessary steps to fulfil its duties and obligations required as set out in the Flood Risk Management (Scotland) Act 2009(c), including steps to—

- (a) assess flood risk from sewerage systems and update the latest assessment as required;
- (b) continue to deliver its agreed share of the improvements that will reduce the risk of flooding in Greater Glasgow through its participation in the Metropolitan Glasgow Strategic Drainage Partnership (and working collaboratively with their partners);

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(a) OJ L 327, 22.12.2000, p. 1, as amended by Decision No 2455/2001/EC (OJ L 331, 15.12.2001, p. 1), Directive 2008/32/EC (OJ L 81, 20.3.2008, p. 60), Directive 2008/105/EC (OJ L 348, 24.12.2008, p. 84), Directive 2009/31/EC (OJ L 140, 5.6.2009, p. 114) and Directive 2013/39/EU (OJ L 226, 24.8.2013, p. 1).

(b) 2009 asp 12.

(c) 2009 asp 6.

- (c) in partnership with responsible authorities—
  - (i) undertake studies to inform investment requirements in the next period as agreed with the Scottish Advisory and Implementation Forum for Flooding; and
  - (ii) commence its agreed share of the investment requirements arising from the flood studies as agreed with the Scottish Advisory and Implementation Forum for Flooding;
- (d) protect its own assets where they lie within an area vulnerable to flooding; and
- (e) ensure reservoirs are monitored, inspected and maintained in accordance with the Reservoirs Act 1975(a) and, where applicable, the Reservoirs (Scotland) Act 2011(b) to ensure their structural integrity.

### Security of supply

12.—(1) Scottish Water must provide an appropriate level of physical security to Security Service standards agreed with the Scottish Ministers.

(2) In particular, Scottish Water must in accordance with the standards agreed with Scottish Ministers—

- (a) provide the necessary improvements to provide a level of service in water resource zones, such that these zones are adequately protected against the risk of water shortages;
- (b) maintain a sufficient supply of water in all water supply zones that reflects the most cost effective operating regime, and takes account of the opportunities for demand management including leakage control and water efficiency measures; and
- (c) develop an understanding of the overall resilience of water supply systems across Scotland under extreme events and commence implementation of improvements, as approved by the Scottish Ministers.

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(a) 1975 c. 23.  
(b) 2011 asp 9.



## EXPLANATORY NOTE

*(This note is not part of these Directions)*

These Directions set objectives in respect of the period 1st April 2015 to 31st March 2021 as to:

- the standard of the services to be provided by Scottish Water in the exercise of its core functions and the time by which a particular standard of any of those services is to be attained,
- the time by which particular work required for or in connection with the provision of those services is (in part or whole) to be commenced or completed.

In formulating these objectives the Scottish Ministers have had regard to Scottish Water's duty under section 51(1) of the Water Industry (Scotland) Act 2002 ("the Act") which provides that Scottish Water must, in exercising its functions, act in the way best calculated to contribute to the achievement of sustainable development (so far as is consistent with the purposes of any enactment relation to the functions of Scottish Water).

For the purposes of section 29C(5) (exercise of functions regarding charges) and 29F(1) (review of determinations and charges), as read with section 29G (effective exercise of core functions), of the Act, Scottish Water is taken to be exercising its core functions effectively if (in discharging its statutory duties and contractual obligations) it makes such use of its resources that, year on year, it:

- achieves the objectives contained in any directions (including these Directions) given by reference to section 56A of the Act; and
- does so at the lowest reasonable overall cost.

The Water Industry Commission for Scotland must have regard to these Directions in exercising its functions under section 29A (charges schemes), 29B (determination of maximum charges), 29E (departure from certain charges) and 29F (review of determinations and charges).

