

OMG WORKING GROUP

OUTPUT MONITORING REPORT: Quarter 4 2018-19

1. Introduction

This document summarises what has been achieved for customers against Scottish Water's Delivery Plan for the 2015-21 period and confirms the position up to the end of March 2019 (Quarter 4 2018/19). It has been prepared for the Output Monitoring Group (OMG) working group, a sub group of the OMG set up by Ministers to monitor and report on the delivery of their [Objectives](#).

The OMG comprises the main stakeholders in Scotland's water industry: Scottish Government, Scottish Water, Citizens Advice Scotland, Scottish Public Services Ombudsman and the regulators (the Water Industry Commission for Scotland, the Scottish Environment Protection Agency and the Drinking Water Quality Regulator). It is chaired by Scottish Government and operates under a Terms of Reference agreed by Ministers.

2. What We Monitor

Each quarter the OMG assesses Scottish Water's progress with the delivery of outputs using a metric, Overall Measure of Delivery (OMD), to measure Scottish Water's progress against targets agreed in its Delivery Plan.

Delivery progress is also monitored against the outputs agreed for individual programmes in Scottish Water's Delivery Plan, as shown in the following sections:

- Appendix A: Providing continuous high quality drinking water (includes drinking water quality, reliability and security of supply).
- Appendix B: Protecting and enhancing the environment (includes flood risk management).
- Appendix C: Supporting economic development (includes climate change and improving the long term cost of service).
- Appendix D: those outputs and customer service measures that are reported annually at the end of each financial year.

Each section explains where a programme area is ahead or behind and, if behind, the remedial actions being taken by Scottish Water. The year-end status for each programme area has been measured against Scottish Water's Delivery Plan update as approved by the Scottish Government in March 2019.

The Output Monitoring Group also monitors Scottish Water's progress in completing those projects due but not delivered by 31 March 2015 so that the benefits to customers can be delivered as quickly as possible.

3. Key points

The key points to report on Scottish Water's output delivery in the period up to the end of March 2019 (Quarter 4 2018/19) are:

- The overall measure of delivery (OMD) position was 193 points in Quarter 4, against a target of 175 points. This is an increase of 19 points from the Quarter 3 2018/19 position of 174 points.
- Providing continuous, high quality drinking water: of the 10 programmes in this category, 8 were on or ahead of the year-end target for regulatory sign off of outputs at the end of Quarter 4. Scottish Water were below target at year end by one output in the 2010-15 outputs planned to complete in the 2015-21 period programme and by 2 outputs in the Number of water treatment works improved programme.
- Protecting and enhancing the environment: of the 10 programmes in this category, 9 were on or ahead of the year-end target for regulatory sign off of outputs at the end of Quarter 4. One programme, Number of improvements required to meet the Water Framework Directive, was behind plan due to the decision to retain Amlaird WTW while the Ayrshire Resilience scheme is being completed.
- Supporting economic development: of the 6 programmes in this category, 1 is now complete, 1 was ahead of target at the end of Quarter 4 and the remaining 4 are demand driven.
- Projects due to have been completed by March 2015: by the end of Quarter 4 Scottish Water had completed 35 of the 37 projects that were outstanding at March 2015.
- Annual Measures: Scottish Water has delivered its highest ever levels of customer experience, as measured by the customer experience measures. Despite the slight decrease in performance for water quality compliance, discoloration contacts and pollution incidents (primarily caused by adverse weather conditions), Scottish Water continues to deliver high levels of customer service, as measured by the Overall Performance Assessment (OPA) measure, achieving their aspiration to score over 400 for the second year in a row.

4. Overall Measure of Delivery (OMD)

The [Overall Measure of Delivery](#) provides a high level measurement of Scottish Water's progress against its Delivery Plan; it assesses the progress of the investment outputs monitored by OMG across each of the five key delivery milestones, combining this information to give an overall score. Progress with delivering late projects from previous investment periods and demand led schemes (such as new capacity to support economic development) are not included in the OMD.

At the beginning of the programme the OMD score starts at zero and at 31 March 2021 should reach 250 points confirming that all outputs monitored have been delivered. At the end of March 2019 Scottish Water's OMD position was 193 points, against a Quarter 4 2018/19 OMD target of 175 points. This is an increase of 19 points from the Quarter 3 2018/19 position of 174 points as illustrated in Figure 1.

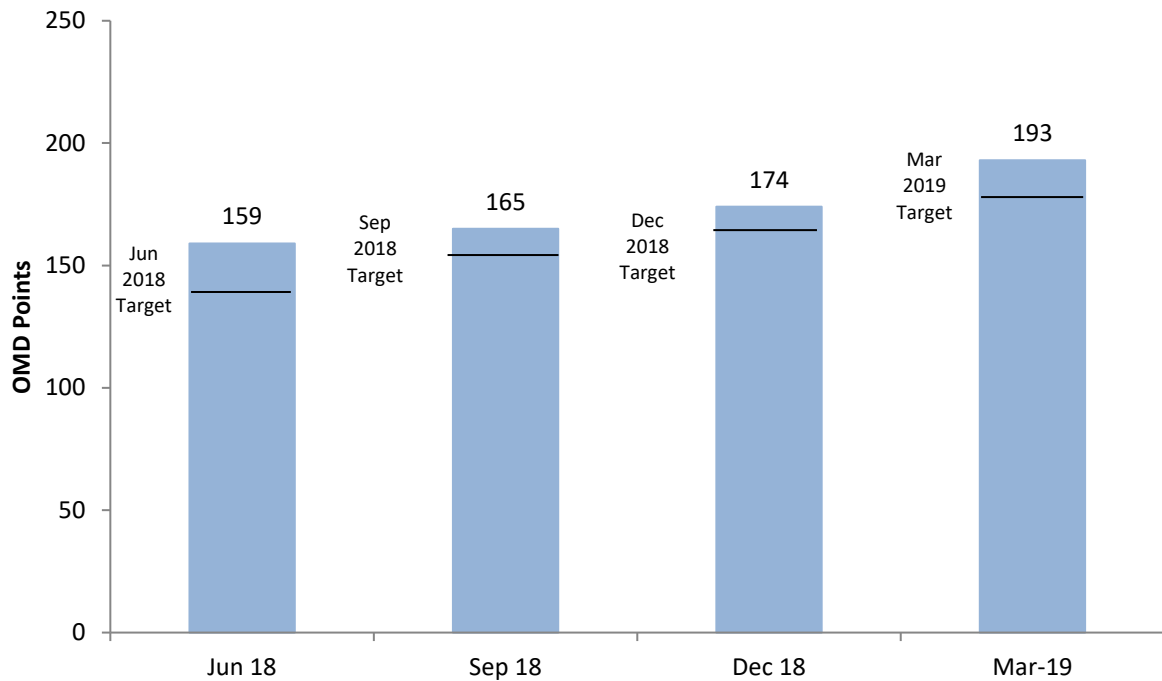


Figure 1 – Overall Measure of Delivery to Quarter 4 2018/19

5. Progress against milestones

To demonstrate the progress being made through each of the 5 programme milestones monitored by OMG, Figure 2 below shows the cumulative % budget, number of outputs and target level for each milestone for the reported programmes.

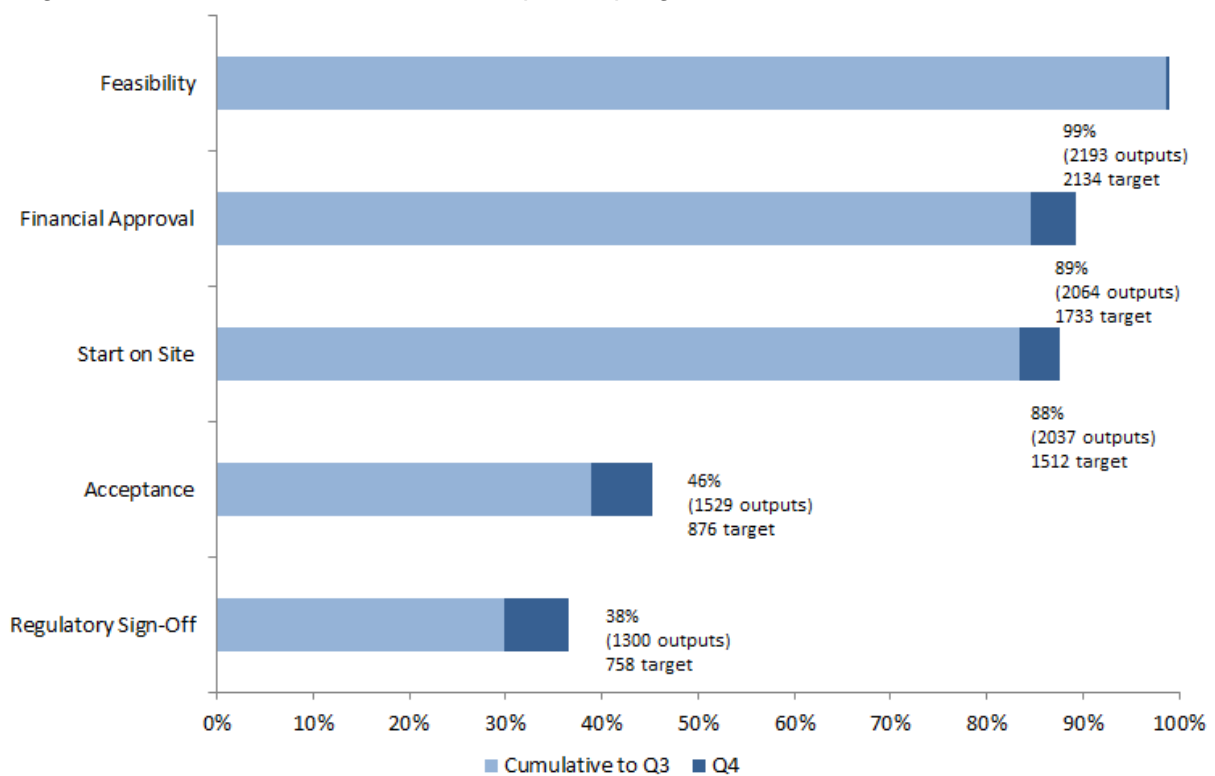


Figure 2: Reported output programmes – cumulative % budget, number of outputs and target for each milestone – all outputs (including IR18)

6. Projects due but not delivered by 31 March 2015

Scottish Water started the 2015-21 period with 37 projects from the previous programme which were due but not completed by March 2015. Neilston WwTW achieved Regulatory Sign Off in Quarter 4 so at the year-end Scottish Water has achieved regulatory sign-off for 35 of these 37 projects. Scottish Water remains focussed on delivering all projects due to have been completed by March 2015.

	Q1 2018/19	Q2 2018/19	Q3 2018/19	Q4 2018/19	2019/20	2020/21
Planned completion	33-36	33-36	33-36	33-36	36	37
Latest forecast completion range	34	34	34	35	37	37

7. Conclusion

The OMG notes the good progress made to March 2019, Quarter 4 2018/19, of the 2015-21 regulatory period with the delivery of outputs required by Ministers, as measured through the Overall Measure of Delivery and programme milestones. It notes that there are a small number of projects for which challenges to delivery remain in three programme areas.

The OMG notes that Scottish Water continues to deliver high levels of customer experience and customer service.

Ministers continue to stress to Scottish Water the importance of maintaining and achieving the investment milestones as agreed in Scottish Water's Delivery Plan.

RAG Status

The following colour coding is applied to the forecast in the output delivery tables, using the definitions outlined below:

Red	Progress is behind target and there is no prospect of recovery over the year
Amber	At risk of not delivering the output within the year
Green	On or ahead of programme, or if off track will recover within the year
Blue	Output complete

Appendix A: Providing continuous high quality drinking water

Scottish Water is undertaking work associated with the 10 programme areas in the table below. This includes additional IR18 outputs.

Objective	Quarterly monitored programme areas	Q3 2018/19 Actual	2018/19 Year end Target	2018/19 Year end Actual	Total number of outputs over the regulatory period
Drinking water quality and reliability	Number of water treatment works improved	6	12	10	30
	Number of zones made compliant with iron & manganese standards	18	33	38	72 ¹
	Number of improvements to reliability of supply (catchments and treatment)	9	8	12	54
	Number of improvements to reliability of supply (networks and storage)	22	9	22	87
	Distribution mains cleaned (km)	448	364	564	6,357 ²
	Number of water quality etc studies to inform future periods	220	223	263	362
	2010-15 outputs planned to complete in the 2015-21 period	9	14	13	22
Drinking water security of supply	Water supply resilience strategy and improvements mad	8	9	12	19
	Number of zones with improved security of supply (SOSI)	1	4	4	11
	Number of security measures and improvements to the infrastructure of critical reservoirs	355	118	460	693
Total		648	420	834	1,350³

Programme specific explanations:

Scottish Water were two outputs below the year-end target for the Number of water treatment works improved programme due to the Loch Ness Regional scheme and one output below the year-end target for the 2010-15 outputs planned to complete in the 2015-21 period due to the North Harris Regional Scheme.

¹ SR15-076 OMG WG agreed the move of 7 trunk Mains projects into km of mains cleaning programme.

² SR15-080 Addition of five zones and reduction in programme by 450km. SR15-076 7 trunk mains transferred over from iron & manganese programme.

³ Excludes 6,357km of mains cleaning as this programme area is measured on a per km basis rather than on the number of outputs or improvements made.

Appendix B: Protecting and enhancing the environment

Scottish Water is undertaking work associated with the 10 programme areas in the table below.

Objective	Quarterly monitored programme areas	Q3 2018/19 Actual	2018/19 Year end Target	2018/19 Year end Actual	Total number of outputs over the regulatory period
Protecting and enhancing the environment	Number of WWTWs improved to meet UWWTD	19	21	21	26
	Number of waste water networks improved to meet UWWTD	25	21	29	59
	Number of improvements required to meet UWWTD - Glasgow completion	56	61	61	85
	Number of improvements required to meet the Water Framework Directive	1	11	2	30
	Studies to inform requirements under the revised Bathing Waters Directive	8	2	8	12
	Number of environmental studies to inform future periods	42	32	66	130
	Number of improvements required by the Compliance Assessment Scheme; odour reduction and sludge management	29	24	31	96
	2010-15 outputs planned to complete in the 2015-21 period	13	12	13	15
Flood risk management	Reservoirs Act - Number of improvements to dams	25	24	36	54 ⁴
	Flood Risk Management Act - models and integrated catchment studies	101	66	140	218
Total		319	273	407	725

Scottish Water were 9 outputs below the internal acceptance and regulatory sign-off target in the Number of improvements required to meet the Water Framework Directive programme due to the decision to keep Amlaird WTW in operation as part of the revised strategy for Ayrshire water supplies.

⁴ SR15-084 - Removal of Craigdow Reservoir

Appendix C: Supporting economic development

Scottish Water continues to support the Scottish economy by meeting the demand for water and waste water connections to new households and businesses and where necessary has initiated projects to increase strategic capacity. Connections have been made to 90,169 new households and businesses since April 2015. Scottish Water has also installed 12,793 first time wholesale meters and replaced 47,600 wholesale meters as shown in the table below.

Objective	Quarterly monitored programme areas	Q3 2018/19 Actual	2018/19 Year end Target	2018/19 Year end Actual	Total number of outputs over the regulatory period
Supporting economic development	Number of new connections to households and businesses	83,213	Demand driven	90,169	126,000
	Delivery of new waste water capacity for 73,290 people	6,002	Demand driven	6,002	73,290
	Number of first time non-household meters installed ⁵	12,263	Demand driven	12,793	18,000
	Number of non-household meters ⁶	43,447	Demand driven	47,600	75,500
Climate change	Number of climate change vulnerability assessments	57	57	59	123
Long term cost of service	Improvements in renewable power and energy efficiency (GWh)	16.4	11.0	17.5	17.5

⁵ Previously called 'Number of first time non domestic meters installed'

⁶ Previously called 'Number of wholesale meters'

Appendix D: Performance against minimum service levels to customers for 2015-21

Scottish Water has delivered its highest ever levels of customer experience, as measured by the customer experience measures and continues to deliver high levels of customer service, as measured by the Overall Performance Assessment (OPA) measure, achieving their aspiration to score over 400 for the second year in a row.

Service measure	Minimum for 2015-2021	Actual March 2018	Actual March 2019	2018/19 status
Water service				
Drinking water quality compliance at customer taps	99.88%	99.905%	99.898%	G
Number of properties affected by unplanned water supply interruptions:				
• >12 hours	< 1,000	552	357	G
• >6 hours	13,000	6,393	4,989	G
Drinking water discolouration contacts	10,000	4,744	6,101	G
Drinking water taste contacts	5,000	2,503	2,224	G
Properties below reference level for pressure	100	45	51	G
Security of supply index	91	94	93	G
Leakage (MI/day)	575	492	480	G
Waste water service				
Annual number of incidents of internal sewer flooding due to blockages and failures (all sewers)	650	307	275	G
Number of properties at risk of internal flooding	370	373	307	G
Annual number of incidents of internal sewer flooding due to overloading (all sewers)	95	38	47	G
Annual number of incidents of external flooding due to blockages and failures (all sewers)	13,000	7,498	8,169	G
Number of properties at risk of external flooding	< 5,000	3,701	3,698	G
Annual number of incidents of external flooding due to overloading (all sewers)	400	120	116	G
Number of failing waste water treatment works	5	0	2	G
Number of pollution incidents	330	191	219	G
% sludge disposed of satisfactorily	100%	100%	100%	G
Customer service				
OPA	383	406	403	G
Household Customer Experience Measure	>82.6	86.3	87.5	G
Non-household Customer Experience Measure	>77.5	77.5	81.7	G
Wholesale KPI	95.0%	97.6%	98.4%	G
Other				
Carbon footprint (kg/household)	125	88	83	G

Glossary of Terms

Assets	Physical plant and equipment used to produce and transfer water, to collect and treat waste water such as water treatment works and water mains, sewers and sewage works etc.
Climate Change Adaption and Mitigation	'Adaptation' is the action taken by Scottish Water to increase the resilience of its assets to climate change variability and extremes whereas 'mitigation' is the steps to permanently eliminate or reduce its carbon emissions associated with its activities.
Delivery Plan	Scottish Water's annual statement of investment outputs and financial targets.
DMA	District meter areas (DMA) help to identify any localised leakage by the installation of online flow monitors.
Plan / Prepare / Deliver	Scottish Water's overarching process to planning and delivering investment to achieve the outcome required.
IR18	Rolling Investment Review 2018 to consider priorities and outputs for the 2018-21 period and beyond.
Leakage	The water lost from Scottish Water's network of water pipes and its assets (service reservoirs etc.) between putting water into supply and it arriving at customer taps.
Ministerial Objectives	A statement of requirements (deliverables) set out by Scottish Ministers.
Outputs	Tangible deliverables, such as an improved waste water treatment facility, which benefit customers, the environment or both.
Output Monitoring Group (OMG)	Representatives of Scotland's water industry who are accountable for the monitoring the progress of output delivery.
Overall Measure of Delivery (OMD)	The metric used to assess Scottish Water's delivery of its investment-related outputs.
Overall Performance Assessment (OPA) Score	A comparative overview of company performance which is calculated each year. It covers measures of water supply, sewerage service, customer service and environmental performance.
UID	Unsatisfactory Intermittent Discharges. An overflow on the sewer network that requires to be improved so as to meet environmental standards for the water body into which it discharges or which it affects.
UWWTD	The Urban Waste Water Treatment Directive is a European Union directive concerning the "collection, treatment and discharge of urban waste water and the treatment and discharge of waste water from certain industrial sectors".
WWTW	A waste water treatment works (WWTW) treats waste water before returning it to the environment.