

Delivery Assurance Group Progress report on performance against the Committed List - Report Quarter 3 2022/23

June 2023

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1. Purpose

This document sets out how Scottish Water is progressing with the delivery of projects and programmes included on the 'Committed List' and confirms the position up to the end of December 2022 (Quarter 3 22/23).

What We Monitor

Each quarter Scottish Water reports on its progress with the delivery of projects and programmes included in the Committed List as follows:

Section 2: Overview - to provide an overview of levels of investment compared to the Delivery Plan and highlight delivery risks that have or may impact progress.

Section 3: Indicator of Progress of Overall Delivery (**IPOD**) - to provide an insight to stakeholders on progress of projects on the Committed List compared with the forecasts set when the projects were committed to delivery - and to take learning from any variances.

Section 4: Progress of delivery of committed projects within **Water portfolio** - to provide stakeholders with a view of how the water portfolio is progressing.

Section 5: Progress of delivery of committed projects within **Wastewater portfolio** - to provide stakeholders with a view of how the wastewater portfolio is progressing.

Section 6: Progress of delivery of committed projects within **Customer Engagement, Flourishing Scotland and Support Services (CE&FS&SS) portfolio** - to provide stakeholders with a view of how of this portfolio is progressing

Section 7: Output Reporting - capturing the outputs associated with named project on the committed list but excluding SR15 Completion projects.

Section 8: Progress in delivering SR15 completion projects – to provide stakeholders with a view of how the planned completion portfolio, and projects delayed due to COVID and other risks, are progressing.

Section 9: Conclusion – to provide stakeholders with a summary of key points in the paper.

Section 10: Appendices

The diagram showing the suite of IPPG and DAG reports as they apply to the IPPF can be found in Appendix D.

2. Overview

Year 2 Tier 2 Investment to the end of Q3 2022/23 was £511m made up of planned repair and refurbishment (£316m), enhancement (including flooding) (£134m) and growth (£60m). It includes £45m invested on the delivery of projects that were planned to be completed in the previous period.

Tier 2 investment was £24m above the central forecast (£487m) and we are forecasting that we should be at the top end of our Delivery plan range of £620m to £690m at year end. Investment in responsive repair and refurbishment of assets and RCC (Tier 1a) for Q3 2022/23 was £162m. This level of investment represents an increase of circa 21% on the average investment achieved in SR15 when compared on a like for like basis at 2017/18 price base.

Our key performance indicator (IPOD) was established as a measure of forecasting accuracy for key milestones added to the Committed list with the intention of gaining and implementing learning, and monitoring delivery. The indicator is outside the range at Q3 primarily due to the 'acceptance' milestone for a number of projects needing to be re-forecast due to slippage, the impact of adverse weather in December and outstanding commercial settlements with one of our Alliance partners. We expect IPOD to be within the range -2 months to -3 months at year end.

Projects which were committed in the early stages of the SR21 period may have suffered from optimism bias where we endeavoured to establish challenging targets for our delivery teams without fully understanding some of the issues that would occur. It is important that when committing to the delivery of a project we balance the likelihood of delay due to risks against setting an over cautious target with the potential to lose focus on the need to drive delivery. Lessons learned on how we assess schedule risk together with additional governance checks on committed dates (especially Gate 100 Acceptance) have been included on more recent projects commitments. This should mitigate the risk of that the actual delivery on projects varies significantly from our commitment forecast.

23 of the 51 projects which have been reforecast and now substantially complete with acceptance forecast in Q4 this year. Although substantially complete these projects have encountered issues during their latter phase which has delayed acceptance. A further 10 are forecasting acceptance in Q1 2023/24. An example would be Glenlatterach WTW Manganese Removal, where the primary scope is the refurbishment of the rapid gravity filters. This work is now complete, but the project has been delayed in the performance test phase due to software issues. It has been further delayed as a result of the inclement weather during December which caused an increased H&S risk to personnel and delayed work on site. Performance testing has now re-started, and the project is forecast to achieve acceptance in Q4 this year.

An example of a project where significant construction activity is still ongoing, but it has been delayed due to the realisation of construction or third-party risk would be Main Street Newtonmore. This project comprises the construction and upsizing of new and existing sewers with associated manholes to address flooding in the area. Construction on the project has been significantly delayed as utility diversions need to be undertaken to create a clear zone for the proposed infrastructure installation. Although site investigation was undertaken prior to start on site the requirement to relocate services was not identified at the time the project was committed. The project is currently forecasting Acceptance in Q3 2023/24, however the programme will be reviewed once the diversion work is completed.

Outputs

Following on from the previous DAG, where we outlined the work being carried out to capture and validate outputs, there has been an initial meeting with WICS to review the output information held and agree how it should be presented. Unfortunately, due to time pressures, we have not been able to complete these discussions and Section 7 of the report contains a first draft of output information for discussion at the Working Group. This captures the outputs associated with named project on the committed list but excludes SR15 Completion projects as these are reported separately as “number of projects achieving Gate 100 Acceptance. The information and format remain draft and will be finalised after review. Completion of this work will enable us to provide initial output reports for all of our live investment on the Committed list to the next DAG meeting in June 2023.

Delivery risks

We continue to monitor the 3 broad categories of risks that may impact our forecasts.

- Third Party Risk - Potential delays due to third-party issues
- Construction Risk - Unforeseen delays from allowable events or poor performance on site
- Construction Market Conditions

The key risk continues to be Construction Market Conditions as noted below.

Construction market conditions - Cost pressures and availability of materials, labour, and commodities are challenging. The key areas of note are:

- Price and availability of materials and commodities - our procurement teams monitor all frameworks
- Planning - our delivery teams continue to resequence project design, planning and procurement following the extension of lead times for some projects.
- Resourcing and Skills - our partners are experiencing higher than normal staff turnover levels and shortages.

Capturing learning to improve performance

To achieve our desired outcome of efficient and effective investment delivery it is important that we understand both what went well and what did not go so well in the delivery of capital projects. This requires the learning from both live and completed projects to be made available to the planning and delivery teams in a consistent and easily consumed format. To allow us to better capture knowledge and learnings, we have been working to develop a new Lessons

Learnt portal. This online 'app' enables anyone involved in the delivery of a project to record learnings which are then accessible for others to see and implement where appropriate. Common themes and key learnings are validated, collated and best practice shared in the form of improvements to our Risk/Design libraries and targeted toolbox talks. Learnings currently span multiple directorates with improvements being applied to projects at all stages of the Plan / Prepare / Deliver project lifecycle.

An example of where cross function innovation and win-win was realised was at Glenfarg WTW. Within the existing works the current pH correction equipment utilises lime as the primary mechanism of control. The solution promoted at G50 was to renew and refurbish existing equipment on-site within the current area of the building. However, due to the main project driver to increase resilience of supply by provision of increased volume of storage this would mean dosing lines of over 200m being required to service the new position of the additional storage. This would result in increased risk of blockages within dosing lines and increase future maintenance costs and risk service of supply. Collaborative effort resulted in an alternate solution using caustic. The costing models and designs have been logged as standardised solutions and cost reference models to be utilised in future projects across the portfolio of programmes.

3. Indicator of Progress of Overall Delivery

The Indicator of Progress of Overall Delivery (IPOD) provides a high-level measurement of Scottish Water’s progress in delivering the Committed List for projects over £1m¹. It assesses the progress of these investment projects monitored across 3 delivery gates² combining this information to give an overall score.

When projects are added to the Committed List, each milestone is allocated 1 point. Each quarter, the number of points achieved by reaching gates is assessed against the baseline³ level for the previous quarter (lower limit) and the subsequent quarter (upper limit). These points are shown as absolute scores. Scottish Water is considered to be within the range where the number of points gained lies within the lower and upper limits.

At the end of December 2022, Scottish Water's IPOD position was slightly behind track at 484 points, against a range of 489 to 619 points (Figure 1) indicating that the overall programme is currently being delivered slightly outwith the target range, however, delivery of the programme is forecast to be back on track by Q4 2022/23. A significant focus is being placed on opportunities to accelerate milestone delivery in order to recover the programme. Projects where milestone achievement is considered to be at risk are put on “short interval control” to ensure increased management focus and rapid decision making. We also regularly review the programme to identify opportunities to advance projects. Either by an earlier than planned start of site or a review of the construction programme to accelerate delivery.

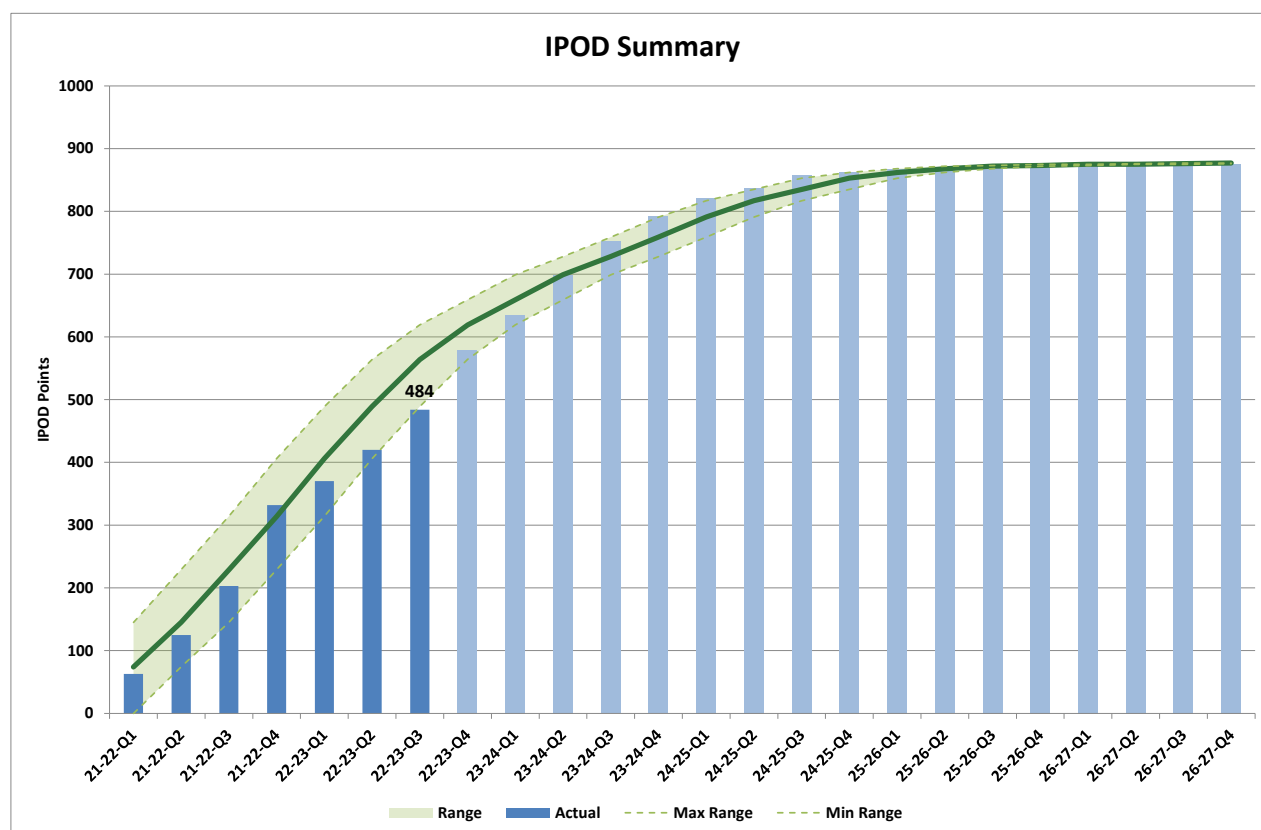


Figure 1: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023

¹ Forecast costs at the time of addition to the Committed List

² These are start on site, gate 100 (acceptance) and gate 110 (financial close)

³ The baselines are determined by the projects forecast dates at the time inclusion in the Committed List

The green line in the figure above shows the aggregate of the forecast dates in the Committed List (the baseline). The solid blue bars show Scottish Water’s actual position, and the light blue bars show the forecast position for future months. The green area above shows the + or – 3 months target range (i.e., the baseline from the previous and subsequent quarters respectively). Being above this shows that Scottish Water is more than 3 months ahead of the baseline and being below this shows that Scottish water is more than 3 months behind the baseline.

Figures 2, 3 and 4 below show the IPOD position at Quarter 3 2022/2023 by individual milestone

IPOD – SOS

19 projects started on site during Q3 with performance on the Start on Site milestone being in the top half of the range.

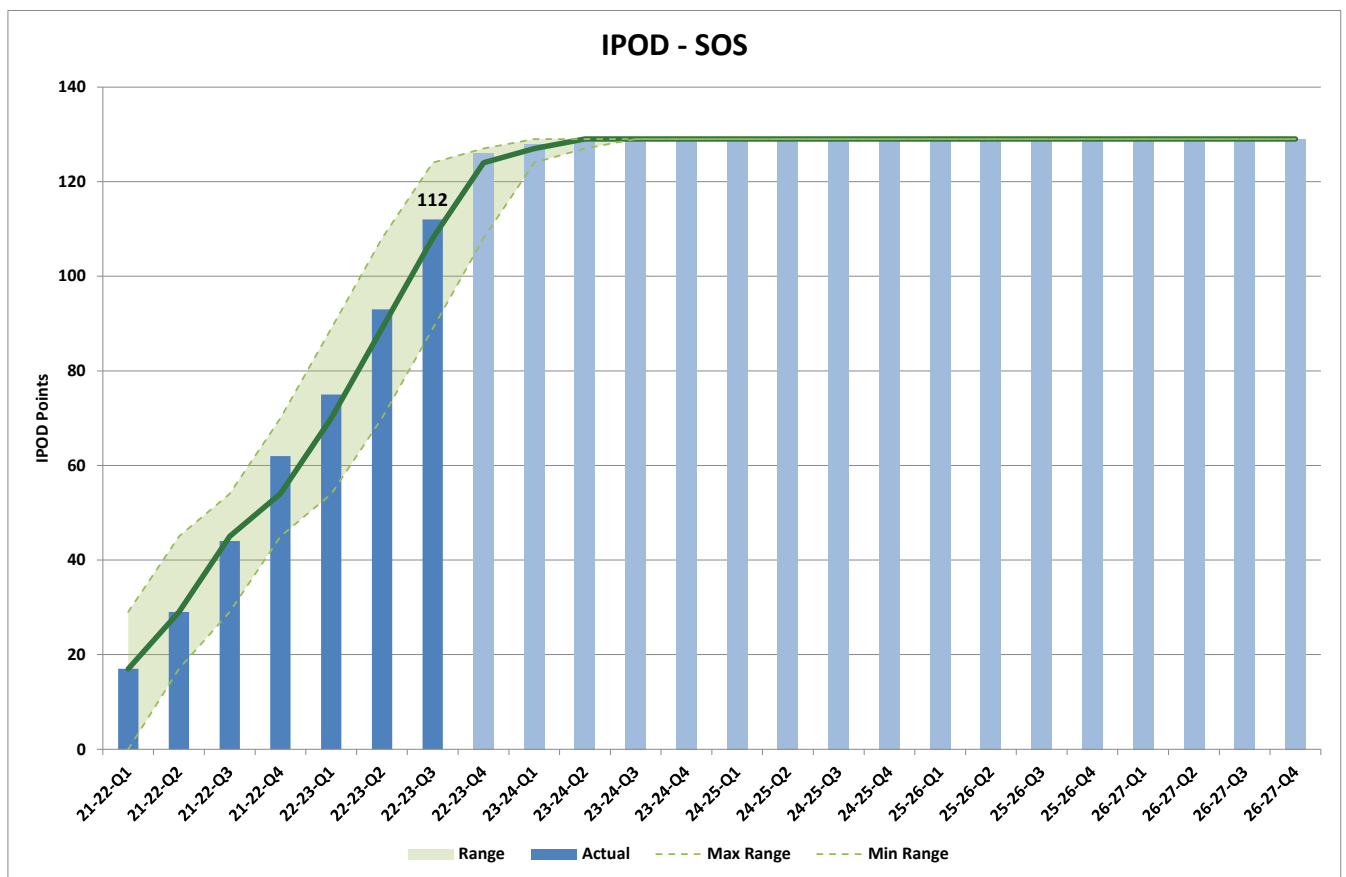


Figure 2: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Start on Site

IPOD – Acceptance

23 projects achieved acceptance during Q3, bringing the total number of completed projects delivering benefit for customers to 195 which is outwith the forecast range of 230 - 260. 23 projects that have not yet had acceptance signed off are now substantially complete and are forecasting acceptance in Q4, with a further 10 forecasting acceptance by Q1 2023/24. Explanation of this movement can be found in Sections 4 & 5. Full details of the projects on the water and wastewater portfolios are now shared regularly with DWQR and SEPA.

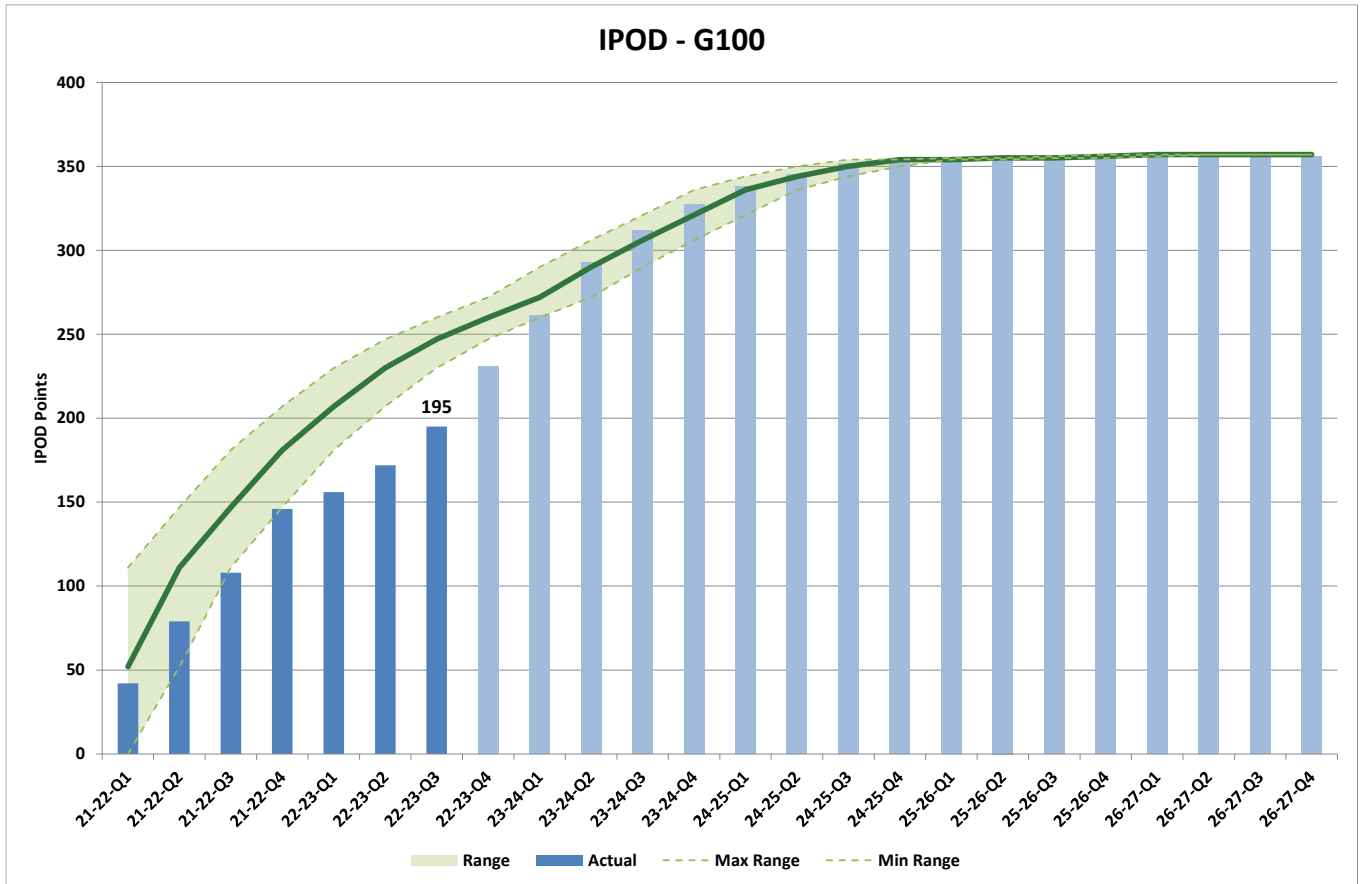


Figure 3: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 100 (Project Acceptance)

IPOD – Financial Completion

22 projects achieved financial completion during Q3. 177 points were achieved to date with the target range being 170 –235.

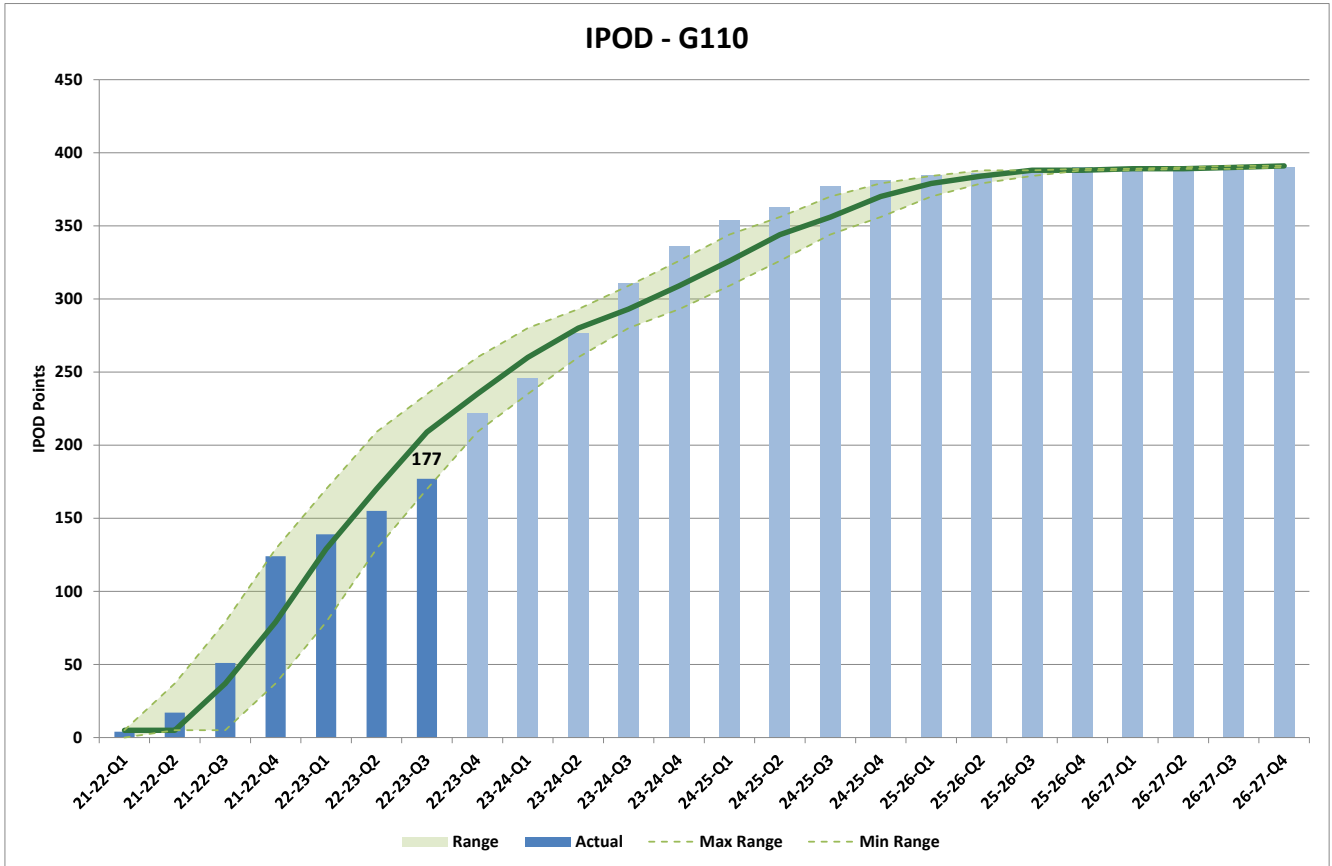


Figure 4: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 110 (Financial Completion)

4. Overall Project Progress Water Portfolio

The Water Portfolio comprises 3 sub-portfolios: SR15 Completion; Water Quality; and Water Supply. Detail on progress within each of these can be found in Appendix A. Although the Gate 100 Acceptance milestone remains challenging, performance on the Start on Site and Financial Completion Milestones means that the Q3 overall performance in the water portfolio is within the range (Figure 5) with 252 points achieved to date; this is 29 below the central forecast of 240.

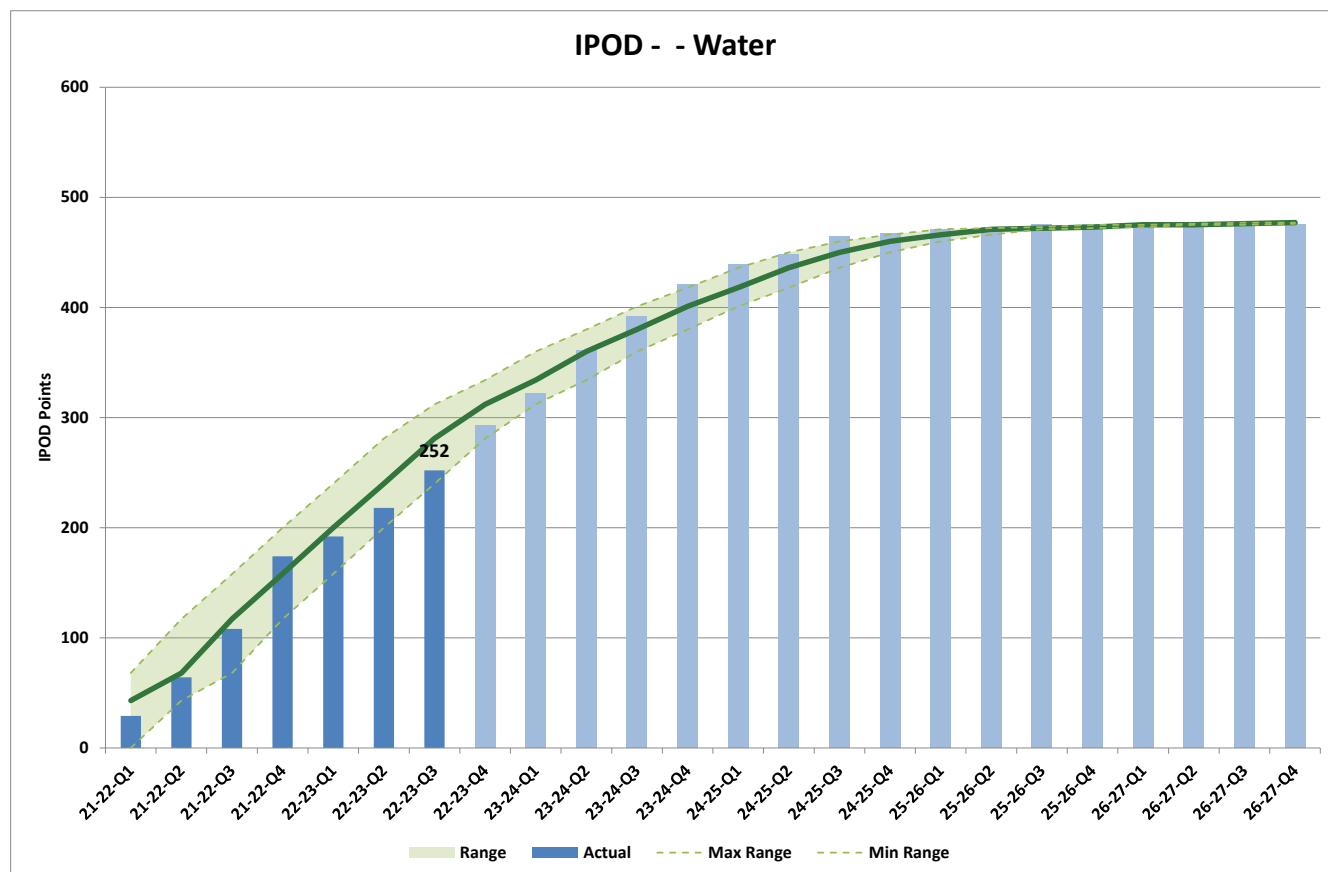


Figure 5: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for all Water Portfolio projects

SOS

Performance on the Start on Site milestone (Figure 6) remains strong with all 3 of the sub-programmes achieving the central forecast. 66 projects have now started on site, 10 of these in Q3 2022/23.

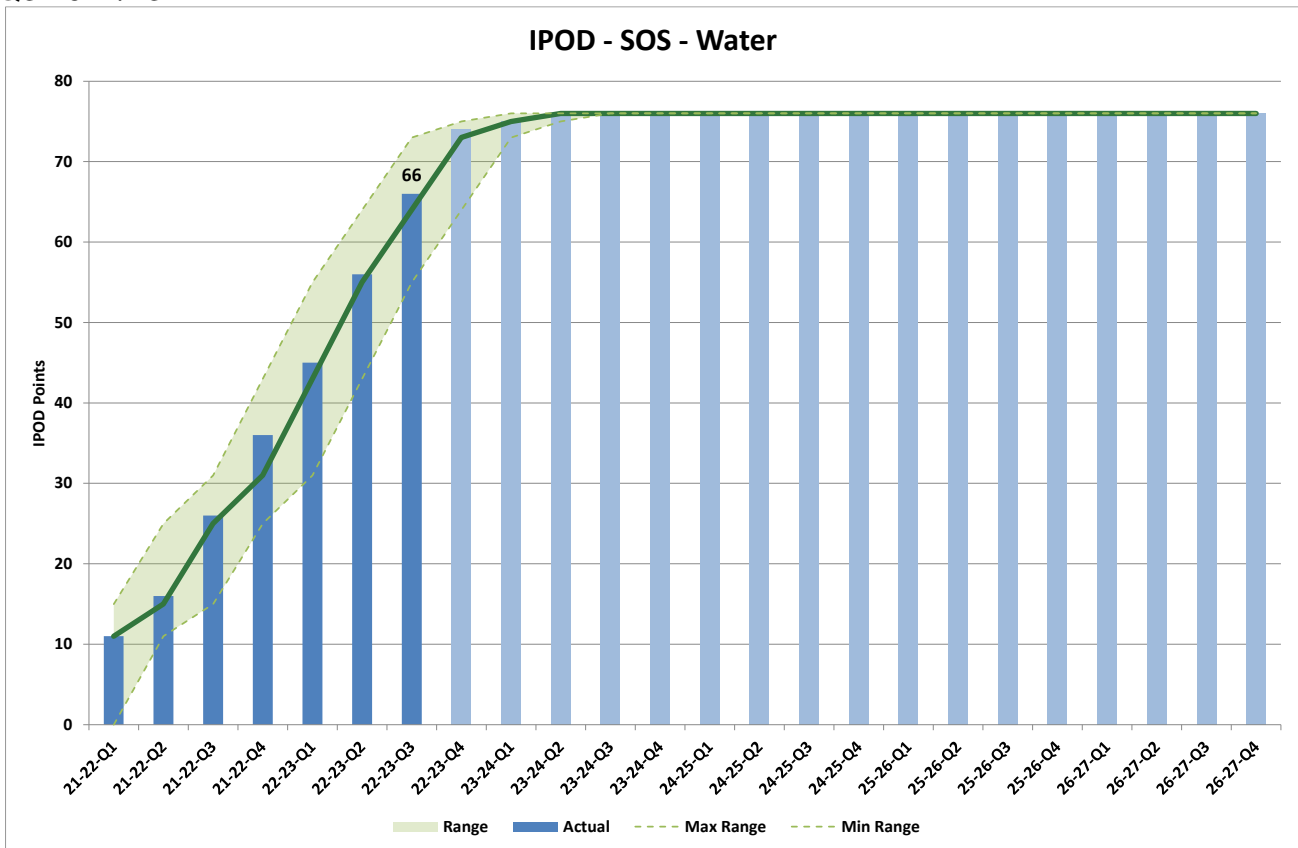


Figure 6: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Start on Site of all Water Portfolio projects

Acceptance

8 projects achieved acceptance in Q3 delivering benefit to customers taking the total to 90 projects that have now achieved acceptance against a forecast range of 104 – 124 at time of commitment.

7 projects in the SR15 Completion sub-programme have been reforecast. 4 of these projects are now substantially complete and forecasting acceptance in Q4 with a further 1 project forecasting completion in 23/24 Q1.

Reasons for reforecasting:

- 3 projects have been reforecast due to third party issues: Yarrowfues WTW main-out, Ringford WTW and Ness WTW)
- 3 due to construction risks being realised (South Edinburgh Service Resilience , Uig WTW where additional scope was identified as necessary during construction and Wick East where there was a shortage of construction resource. 1 (Fair Isle) where the new asset is in service with some further work being undertaken to remedy faults permanently – this work is nearing conclusion

16 projects in the Water Quality sub-programme have been reforecast. 5 of these reforecast projects are now substantially complete and are forecasting acceptance in Q4 with a further 3 forecasting acceptance by Q1 next year.

Reasons for reforecasting:

- 1 (Marchbank) due to delays in starting on site
- 2 (Whitehilllocks WTW and Howden WTW) due to additional scope being required to complete the projects
- 2 projects have been impacted by third party issues (Black Esk Manganese Monitors where a bat maternity roost was found adjacent to the monitor location and Tarbert WTW).
- 10 projects have been impacted by construction risks and supply chain delays
- Kirkmichael WTW has been returned to the Plan stage to review alternative option as the operational solution identified has proven to be ineffective

The Water Supply sub-portfolio remains on track with milestone achievement within the planned range.

We continue to work to understand and learn from risks to improve the forecast and delivery of new projects. When committing to the delivery of a project we balance the likelihood of delay due to risks against setting an over cautious target with the potential to lose focus on the need to drive delivery.

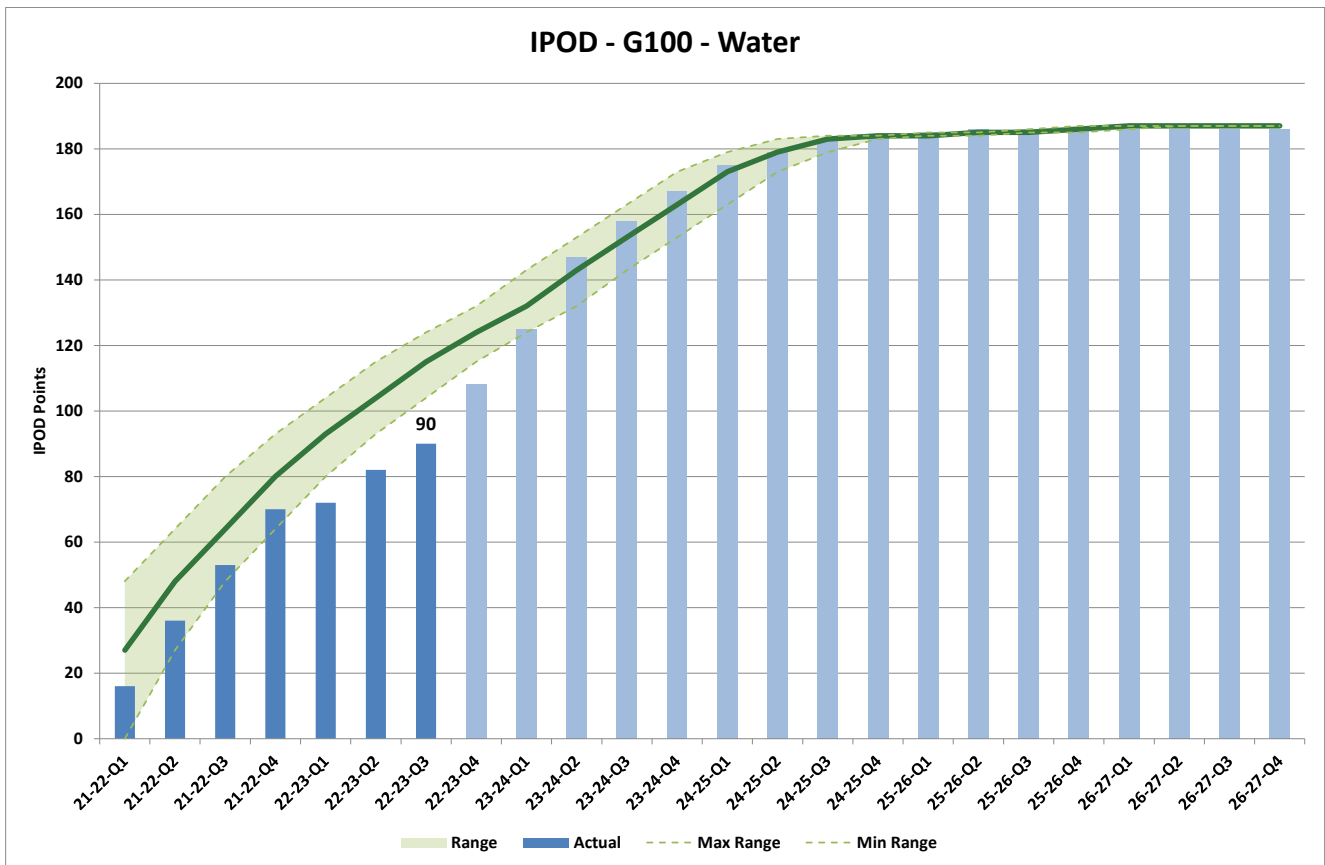


Figure 7: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 100 (Project Acceptance) of all Water Portfolio projects

Financial Completion

Performance on the Gate 110 Financial Completion milestone (Figure 8) remains strong with all 3 of the sub-portfolios being in the range (Figure 8). 96 projects have now achieved Gate 110.

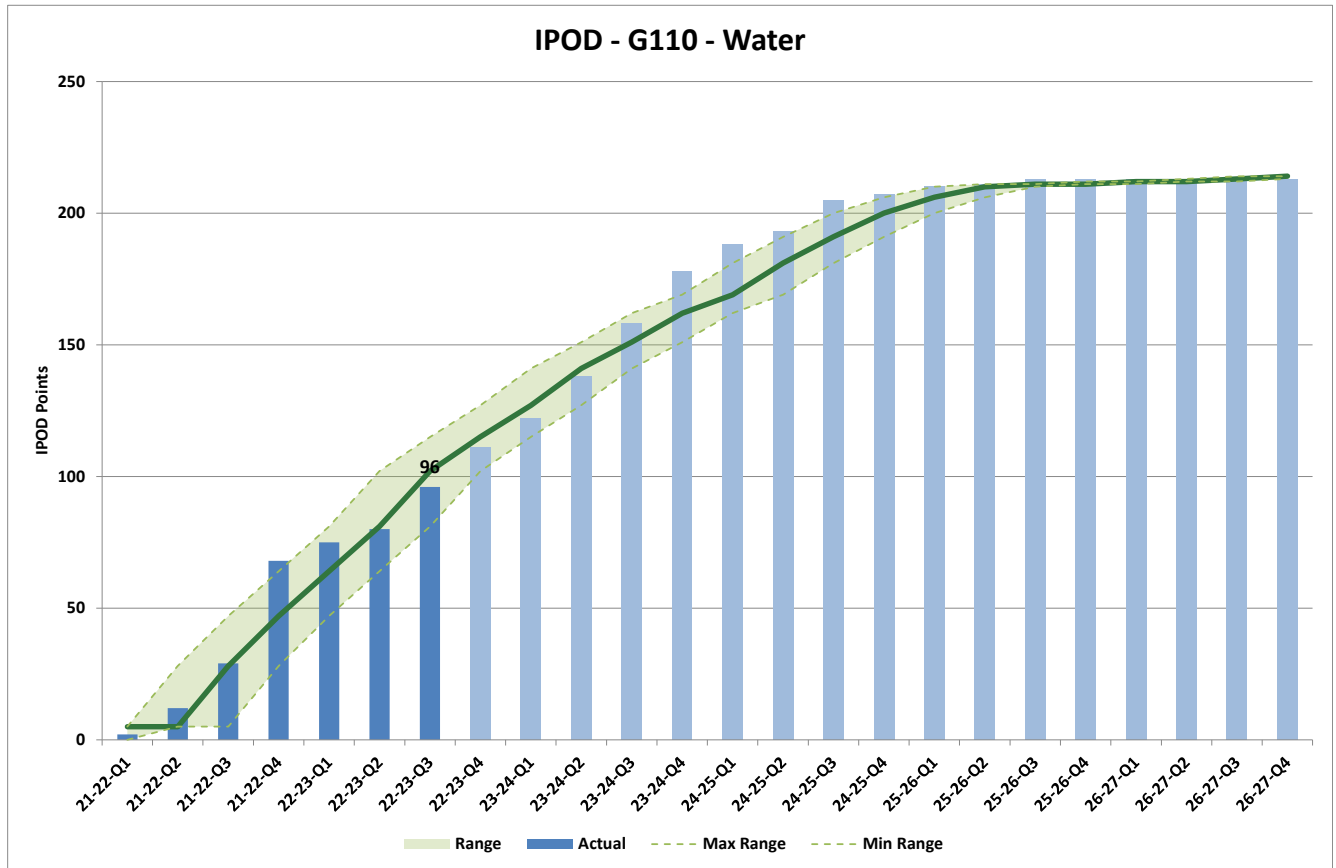


Figure 8: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 110 (Financial Completion) of all Water Portfolio projects

5. Overall Project Progress Wastewater Portfolio

The Wastewater Portfolio comprises 3 sub portfolios: SR15 Completion; Wastewater Treatment; and Wastewater Network. Detail on progress can be found in Appendix B. At Q3 performance in the Wastewater portfolio is outside the forecast range (Figure 9). 194 points have been achieved to date compared with a target range of 213 - 266. The Gate 100 Acceptance milestone continues to be challenging due to risks being realised. The overall performance has been impacted by commercial arrangements we have in place with one of our Alliances however we anticipate that this will be recovered by year end.

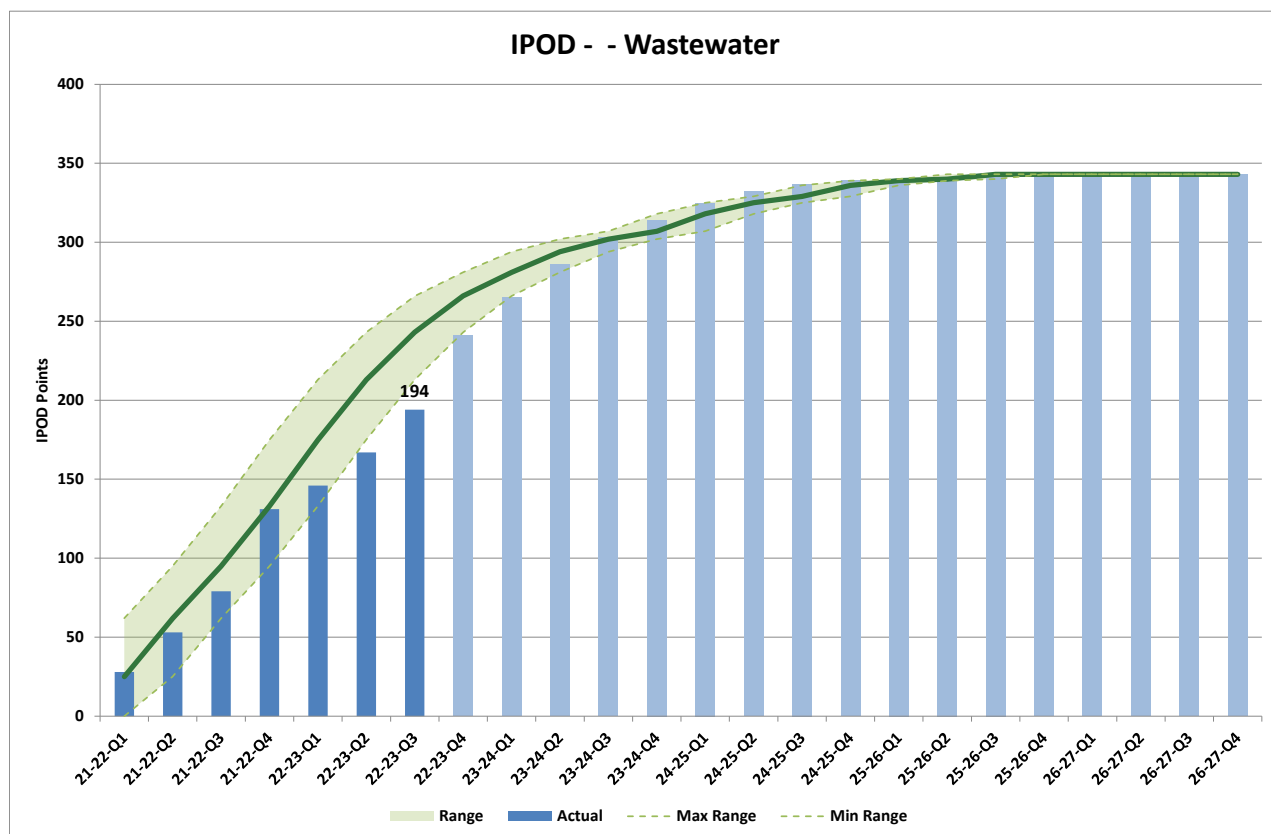


Figure 9: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for all Wastewater Portfolio projects

SOS

Performance on the Start on Site milestone (Figure 10) remains strong. 36 projects have now started on site, 7 of these in Q3.

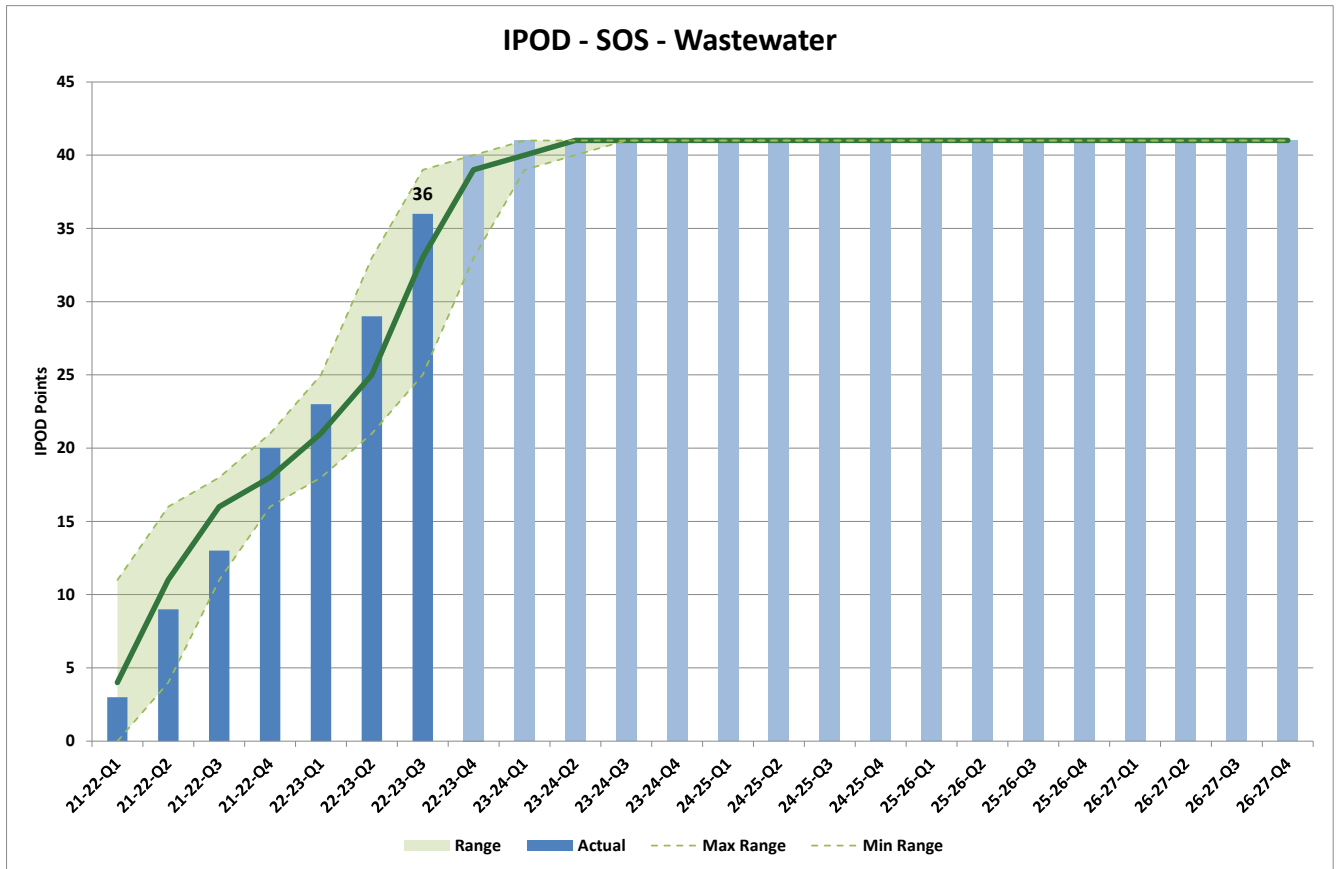


Figure 10: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Start on Site of all Wastewater Portfolio projects

Acceptance

14 projects achieved acceptance in Q3, delivering benefit to customers and bringing the total to 91 projects that have achieved acceptance against a forecast range of 112-121 at the time of commitment.

In the SR15 Completion sub-programme, the acceptance of 8 projects have been reforecast. 4 of these are now substantially complete and forecasting acceptance in Q4.

Reasons for reforecasting:

- 4 projects (Londornoch WTW Sludge Lagoon Upgrade, Craigneuk Avenue Airdrie, Craiglieth Rd Edinburgh and Townhead St Stonehouse) due to construction risks being realised.
- 4 projects (Scotwood Overflow, Wellgate Larnark, Main St Newtonmore and UID Cambuslang Road Richmond Laundry) due to third party delays.

In the Wastewater Network sub-programme, the delivery of 9 projects have been reforecast. 5 of these projects are now substantially complete and forecasting acceptance in Q4 with a further 2 forecasting acceptance in Q1 2023/24.

Reasons for reforecasting:

- 5 projects (Bothwell Sewer Replacement, Infra-Kingdom Park, Dunfermline Wellwood Wastewater Infrastructure, CAS Compliance Improvements - Networks East & North, and Coalburn Road) due to third party issues with land, power supply and road access
- Construction risks have been realised for a further 3 projects
- Additional scope was identified for one additional project to allow the project to be delivered

The delivery of 11 projects in the Wastewater Treatment programme have also been reforecast. 5 of these projects are now substantially complete and forecasting acceptance in Q4 with a further 4 forecasting acceptance in Q1 2023/24.

Reasons for reforecasting:

- 5 of these due to third party issues (Canonbie WwTW - Upgrade Growth, Burrelton WwTW – Growth, HV Asset Replacement Shieldhall WWTW, Forres WWTW and Banchory WwTW - Growth)
- 4 are due to general construction risks being realised (Blairythan Terrace, Lochwinnoch WWTW Inlet Screw Pumps, Dalderse WWTW and Carstairs Village WWTW)
- 2 are due to additional scope being required to complete the project (Kinneil Kerse WWTW and Stewarton WWTW)

We continue to work to understand and learn from risks to improve the forecast and delivery of new projects. When committing to the delivery of a project we balance the likelihood of delay due to risks against setting an over-cautious target with the potential to lose focus on the need to drive delivery.

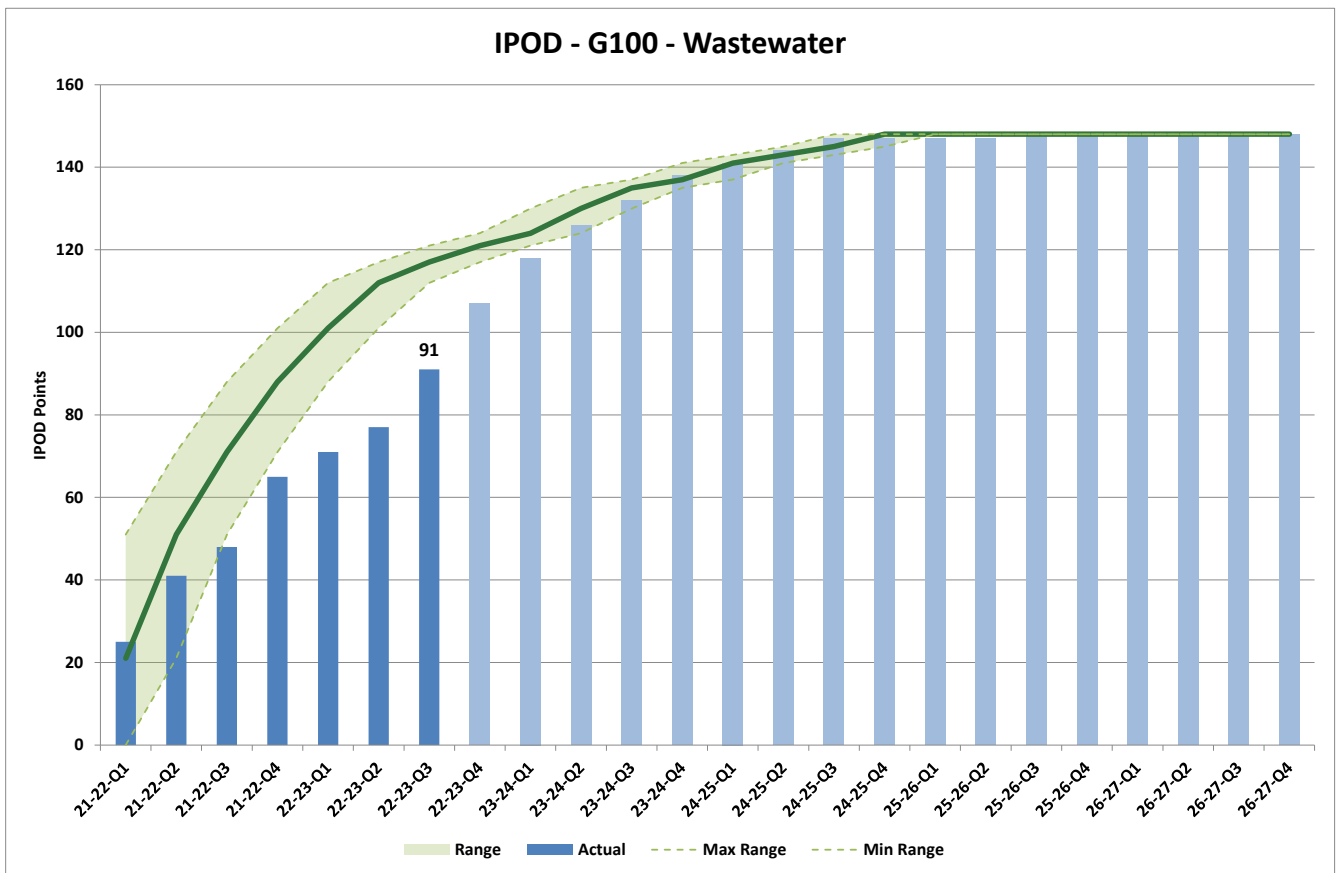


Figure 11: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 100 (Project Acceptance) of all Wastewater Portfolio projects

Financial Completion

Performance on the Gate 110 Financial Completion milestone (Figure 12) is behind target with all 3 sub-portfolios outwith the target range but forecast to recover at year end. 67 projects have now achieved Gate 110, 6 of these in Q3 2022/23. The performance on concluding Gate 110 Financial Completion has been impacted by commercial arrangements we have in place with one of our Alliances however we anticipate that this will be recovered by year end.

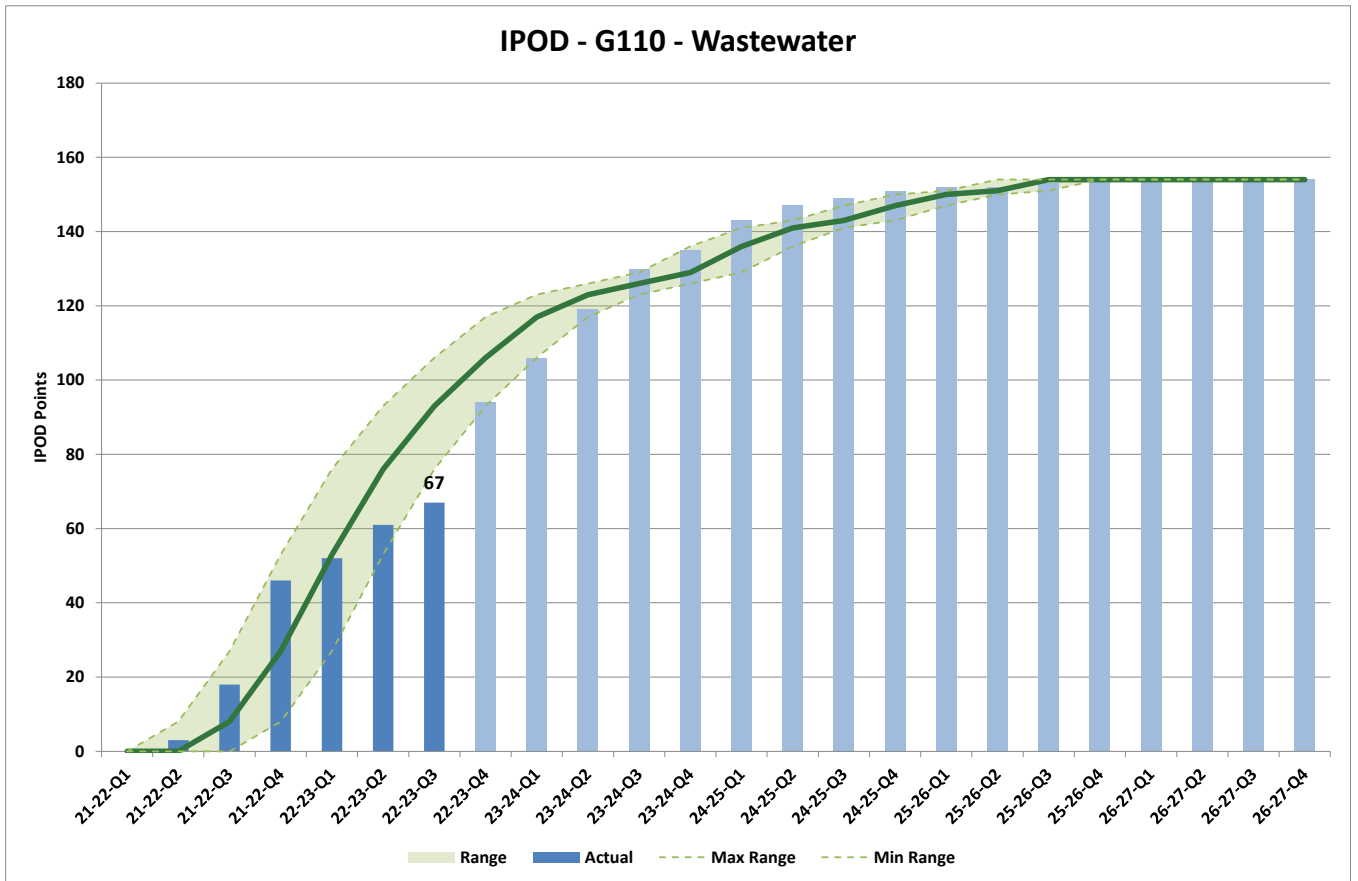


Figure 12: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 110 (Financial Completion) of all Wastewater Portfolio projects

6. Overall Project Progress CE&FS&SS Portfolio

The CE&FS&SS Portfolio comprises 4 sub portfolios: Digital, Flourishing Scotland, Property and Estates and Other Services. Detail on progress within each of the sub-portfolios can be found in Appendix C. Year to date performance at 38 points is in the middle of the 36 – 41 range (Figure 13). All milestones are within the range.

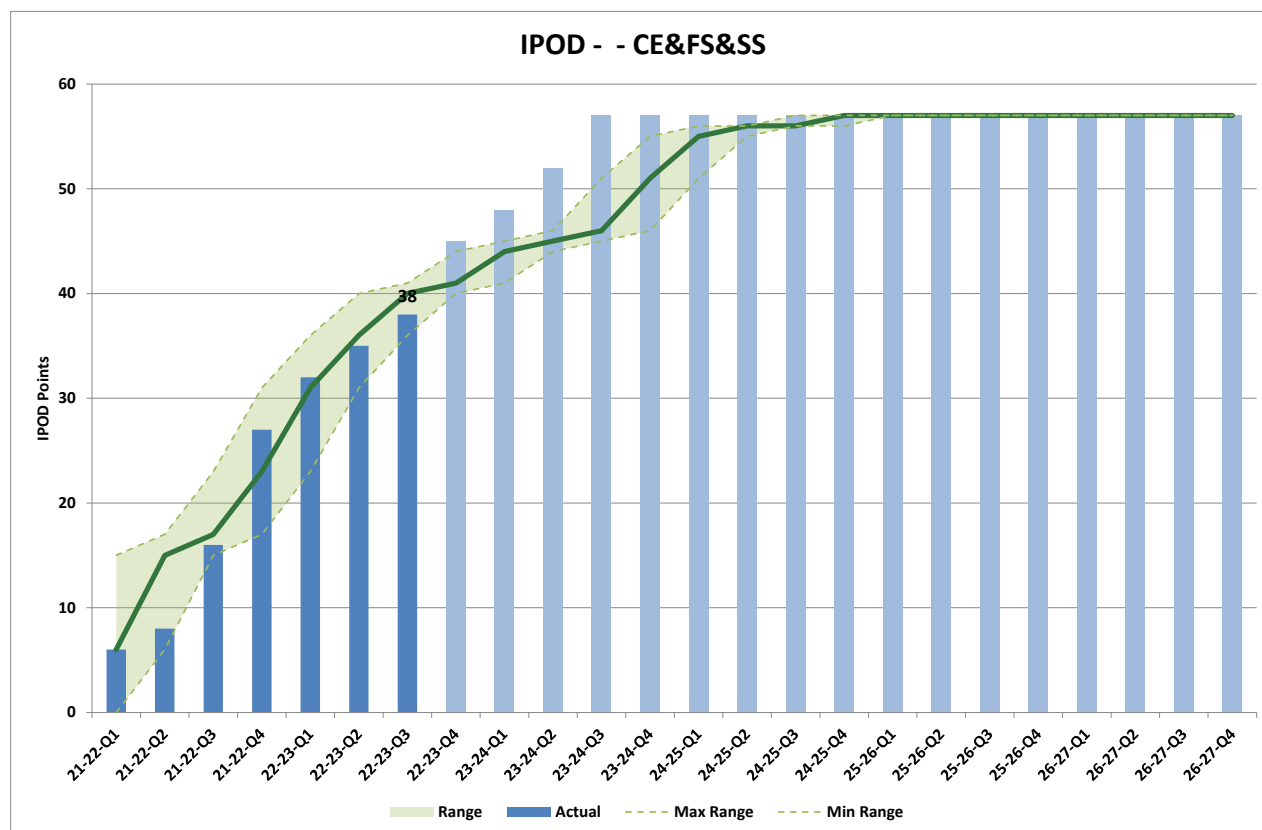


Figure 13: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for all CE&FS&SS Portfolio projects

SOS

Performance on the Start on Site milestone (Figure 14) remains good. The Flourishing Scotland and Other sub-portfolios achieved the central plan target. 10 projects have now started on site. 2 of these starting in Q3.

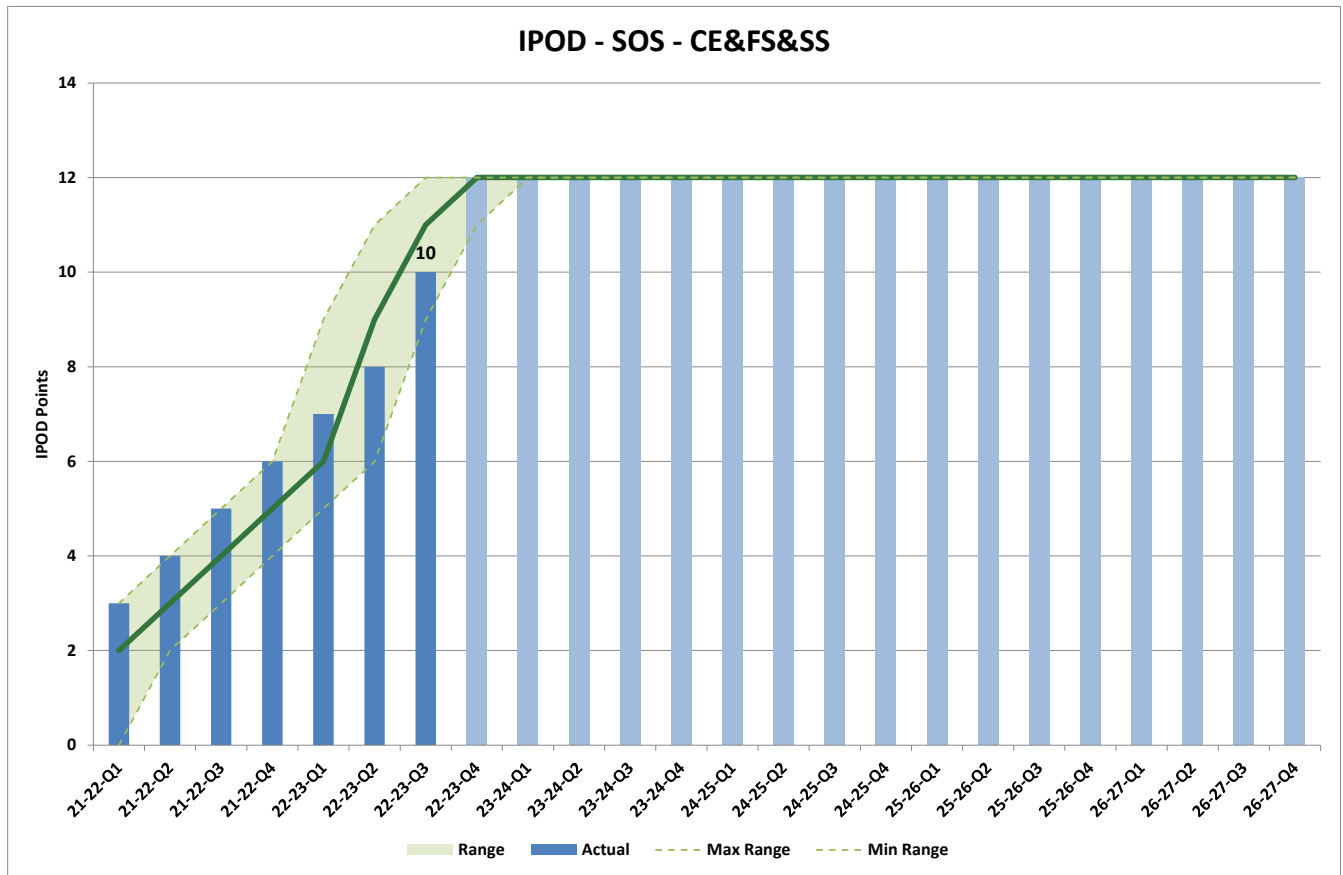


Figure 14: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Start on Site of all CE&FS&SS Portfolio projects

Acceptance

The Gate 100 Acceptance milestone (Figure 15) on all 4 of the sub programmes are within the range. 14 projects have achieved Gate 100 Acceptance. 1 project achieved acceptance in Q3.

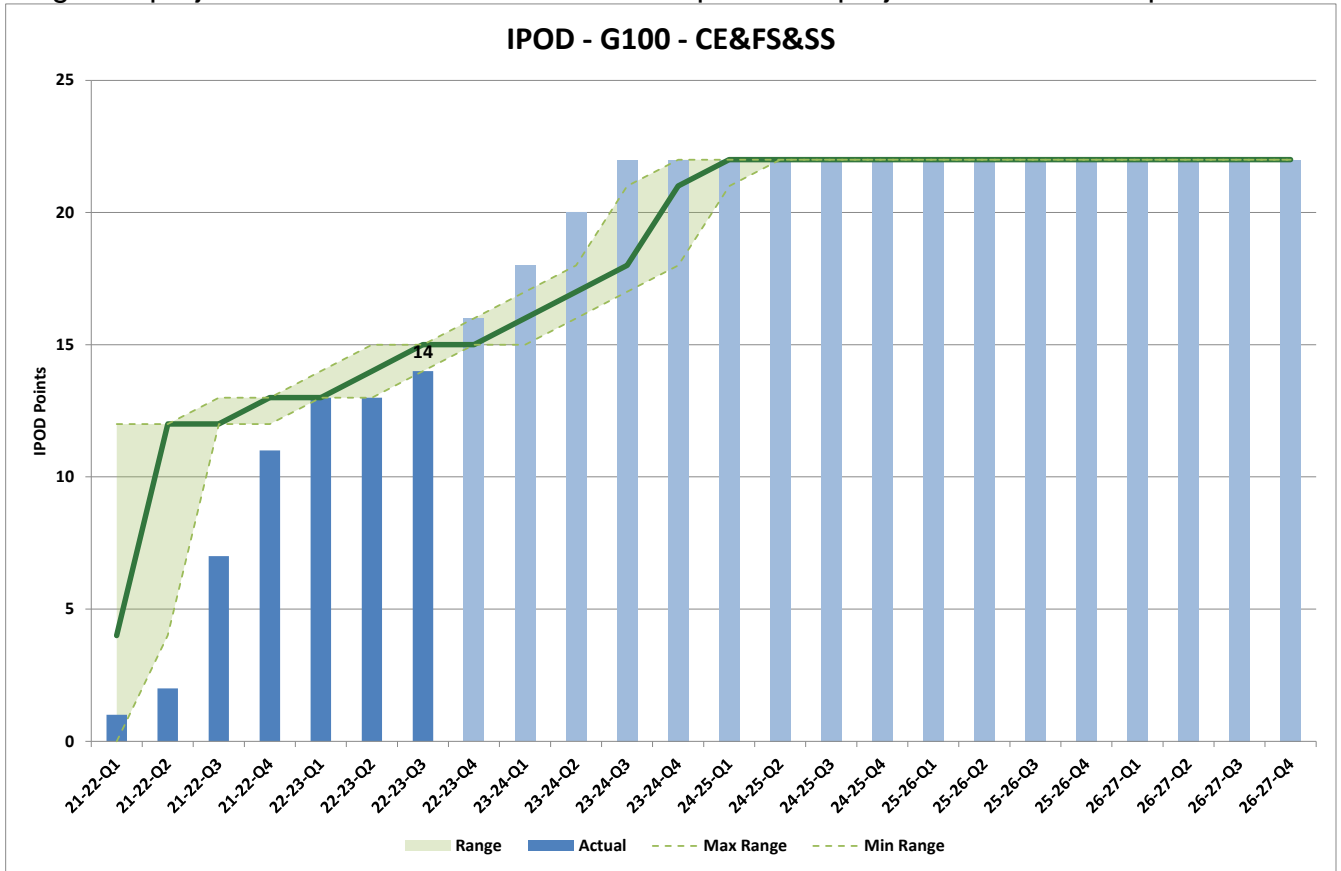


Figure 15: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 100 (Project Acceptance) of all CE&FS&SS Portfolio projects

Financial Completion

14 projects have achieved the gate 110 milestone to date. No projects achieved this gate in Q3.

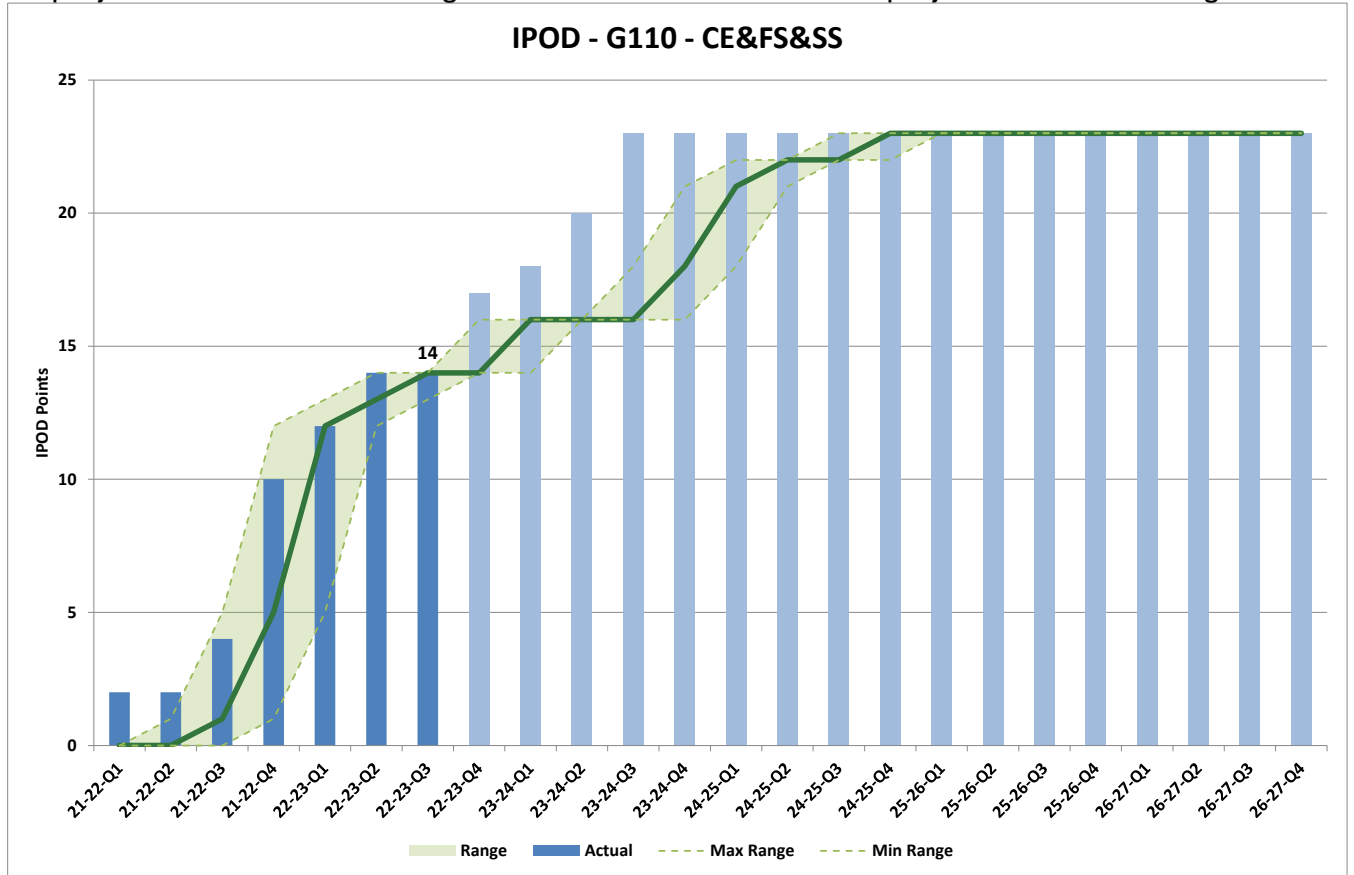


Figure 16: Indicator of progress of Overall Delivery (IPOD) at Quarter 3 2022/2023 for Gate 110 (Financial Completion) of all CE&FS&SS Portfolio projects

7. Output Reporting

Following on from the previous DAG, where we outlined the work being carried out to capture and validate outputs, there has been an initial meeting with WICS to review the output information held and agree how it should be presented. Unfortunately, due to time pressures, we have not been able to complete these discussions. The separate excel table (Appendix F) is a first draft of output information for discussion at the Working Group. This captures the outputs associated with named project on the committed list but excludes SR15 Completion projects as these are reported separately as “number of projects achieving Gate 100 Acceptance”. The information and format remain draft and will be finalised after review.

8. Progress in delivering SR15 Completion projects

SR15 completion projects are reported in each of the water and wastewater portfolios in sections 4 and 5 of this report. For clarity, all completion projects are summarised in section 6. By way of recap, there are two categories of SR15 completion projects:

- Delayed Projects – projects that were expected to complete by the end of SR15 but were impacted by COVID-19, scope change, construction risk and third-party risk
- Planned projects – projects that commenced in SR14 but were always expected to complete during SR21

Table 1 below summarises the current status of each category

Table 1: SR15 completion programme project status. Individual named projects in this category can be found by filtering the Committed List by column E

Stage	Delayed Projects			Planned Projects		
	Forecast at March 2021	Actual at Q3 2022-23	Variance	Forecast at March 2021	Actual at Q3 2022-23	Variance
Pre Start on Site	0	5	5	2	5	3
In Construction	12	25	13	4	11	7
Construction Complete	74	56	-18	51	41	-10
Total	86	86	0	57	57	0

By way of further explanation:

Delayed Projects

At the end of Q3 2022/23 we had planned to have 74 of the 86 delayed SR15 projects through acceptance (Table 1). 18 have still to achieve Gate 100 acceptance. 6 of these are now forecasting acceptance in Q4 2022/23 with a further 4 in Q1 2023/24. A further 7 projects are forecasting completion in 2023/24 (Q2 to Q4) with 2 projects (Mannofield WTW and Easdale Cottages) forecasting acceptance in later in the period to align delivery with other planned work in the programme.

The reasons for reforecasting:

- The delivery of 4 projects has been reforecast due to third party issues.
- The delivery of a further 12 projects has been reforecast due to construction risks being realised. An example of this is at Londornoch WTW where work has been extended due to both the volumes of sludge encountered and re-sequencing of the contractor programme to allow the new sludge balance tank to be commissioned prior to emptying sludge lagoon No.2.
- 1 project have been reforecast as additional scope is required to complete the project.
- 1 project, Easdale - Seaview Cottage ST, has been delayed pending confirmation of the proposed solution for the nearby Clachan Balvicar WwTW where trials to provide additional filtration/UV treatment to protect the receiving water are currently ongoing.

The drought resilience project at West Lewis, which had previously been delayed due to the discovery of a crannog and other third-party issues, is now on site and in construction. 5 delayed projects are yet to start on site. These are:

- Rockcliffe Bathing Water where there has been significant community engagement on the location of the proposed works to minimise impact. Planning and land issues are now being moved forward. The most recent forecast delivery acceptance date of Jan 2026 is of concern to SEPA as the interim measures will remain in place for a further bathing water season. Chemical dosing is in place to protect the bathing water until the new works is constructed.
- Robertson WTW where the operational solution trialled to provide pH correction and coagulation has not been successful and a new project has been developed.
- Picketlaw WTW Main Out where the proposed solution has been re-evaluated. This project has now achieved Board approval to progress to site
- Boardhouse WTW where the proposed scope was found to be undeliverable. On investigation considerable siltation was found at the inlet pipe and this will be addressed before any screening at the inlet is considered.
- Easdale Cottages ST has been delayed pending confirmation of the proposed solution for the nearby Clachan Balvicar WwTW where trials to provide additional filtration/UV treatment to protect the receiving water are currently ongoing.

Planned Projects

No projects achieved acceptance in Q3. 41 projects have now achieved Gate 100 acceptance against a target for Q3 2022/23 of 51. One project (Improvement to Supply-Demand Balance - Stornoway WRZ) is forecast to be delivered ahead of plan, while 11 projects have been impacted by delays; Kirkmichael WTW has been returned to the plan stage as the promoted solution was not successful with the remaining projects impacted by design/construction delays. 3 of these projects are forecasting completion in Q4 with a further 2 in 23/24 Q1. The remaining projects, except for Edgehead ST and Kirkmichael, are forecasting to be complete by the end of 2023/24 Q4. 5 Planned projects are yet to start on site. These are:

- Sanday WTW achieved Gate 80 in Q3 2022/23. Detailed design is ongoing, and the project is forecast to start on site in July this year.
- Edgehead Septic Tank is going through the estimating process. Technical review and design acceptance have been agreed. The project is forecast to start on site in April this year.
- Water of Leith UIDs Batch 7 has now been approved at Gate 90 and is forecasting to start on site in March this year.
- South Uist WTW New Source is still under investigation to confirm the requirement for a new source. WQ sampling for potential new sources is ongoing, alongside discussions with SEPA, and a hydraulic model build has been scheduled to investigate whether more

water can be transferred from Benbecula. The work at Stoneybridge WTW to improve water quality has now been completed.

- Upperton (Longriggend) WWTW is going through a scope review process. The project is forecast to start on site in June this year.

9. Conclusion

The DAG is invited to note that:

- At the end of Q3 2022/23 of the new regulatory period Tier 2 Investment was £511m made up of planned repair and refurbishment (£316m), enhancement (including flooding) (£134m) and growth (£60m).
- Tier 2 investment was £24m above the central forecast for Q3 (£487m) and we are forecasting that we should be at the top end of our Delivery plan range of £620m to £690m at year end.
- Scottish Water's overall IPOD position at 484 points is behind track against the forecast dates in the Committed List but is forecast to be back on track by Q4 2022/23.
- In relation to the milestones measured under IPOD, performance on achieving the Start on Site has been good. Scottish Water are experiencing delay in achieving Acceptance on a number of Water and Wastewater projects as delivery risks are realised: -
 - 28 projects in the Wastewater programme have had their acceptance date reforecast.
 - 30 projects on the Water programme have had their acceptance date reforecast.
- Reforecasts are broadly due to scope variations; third party risks; construction risks and challenging construction market conditions. Weather in December also had an impact. Where appropriate and if necessary, temporary mitigation is put in place to maintain service. In addition, learning is being taken for new additions to the committed list whilst maintaining the aim of setting realistic but challenging forecasts. This is in keeping with the principles of the new IPPF framework under which Scottish Water look to set forecasts, monitor variances and take on board learnings. These delays are having a subsequent knock-on effect to Gate 110 Financial Completion particularly in the Wastewater programme which is outwith the range at Q3 but forecast to recover at year end.
- First draft of output reporting on Committed projects is included in this report as for discussion.

10. Appendices

Appendix A – Glossary of Terms

IPOD – Indicator of Progress of Overall Delivery

S.O.S. – Start on Site

G100 – Project Acceptance

G110 – Financial Close



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