

WATER INDUSTRY (SCOTLAND) ACT 2002

THE SCOTTISH WATER (OBJECTIVES FOR 1st April 2010 to 31st March 2015) DIRECTIONS 2009

The Scottish Ministers (“Ministers”) in exercise of the powers conferred on them by sections 56 and 56A of the Water Industry (Scotland) Act 2002¹, having consulted Scottish Water, the Water Industry Commission for Scotland (“the Commission”), the Drinking Water Quality Regulator (“DWQR”), the Scottish Environment Protection Agency (“SEPA”) and the Convener of Waterwatch Scotland (“the Convener”) hereby give the following Directions.

Citation and Interpretation

1(1) These Directions may be cited as the Scottish Water (Objectives For 1st April 2010 to 31st March 2015) Directions 2009 and shall come into force on 27 October 2009.

1(2) In these Directions, any reference to “the Statement” is a reference to the statement by the Scottish Executive “Investing In Water Services: Objectives for 2006-2014” published on 9th February 2005 as amended by the Scottish Government on 23 February 2009 regarding the necessary revisions to the Statement.

1(3) In these Directions, any reference to “the Technical Expression” is a reference to the list of detailed requirements that is considered mostly likely to deliver these objectives in an efficient manner.

General

2 (1) In the period 1 April 2010 to 31 March 2015², Scottish Water, in the exercise of its core functions and in pursuance of the Government’s purpose and 5 strategic objectives, is directed to deliver the objectives specified in the Schedule to these Directions by means of the Technical Expression;

2 (2) To the extent that the Commission determines that they can be delivered efficiently and without projected charges to customers in the period to 2015 rising by more than the levels of inflation, Ministers require Scottish Water to -

(a) plan and prepare for the delivery of the objectives to be specified in due course by Ministers for the period post 2015; and

(b) deliver the objectives having regard to the requirement for the continuity of investment as set out in the principles of charges statement.

(c) deliver any outstanding objectives remaining from the period 1 April 2006 to 31 March 2010 which it was directed to deliver under The Scottish Water (Objectives for 1st April 2006 to 31st March 2010) Directions, as amended³.

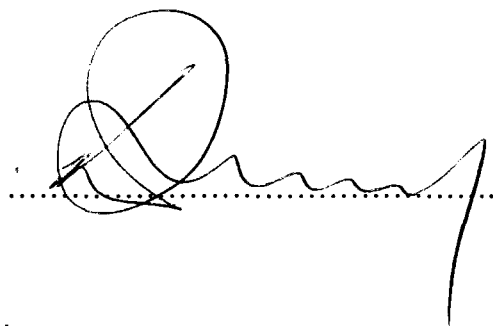
¹ (asp3), as amended.

² This is the period specified by the Scottish Ministers under section 29 B (2) of the Water Industry (Scotland) Act 2002.

³Directions may be found at: <http://www.scotland.gov.uk/Topics/Business-Industry/waterindustryscot/directions>

2 (3) These Directions, together with the Schedule, are subscribed as follows-

It is signed by Bob Irvine, Deputy Director,
Scottish Government
Water Industry and Climate Change Directorate,
At Edinburgh on 27 October 2009 before this
witness:-

A handwritten signature in black ink, appearing to be 'Bob Irvine', written over a horizontal dotted line. The signature is stylized with a large loop at the beginning.

Signature of witness. RGREENHILL.....

Full name of witness. ROSEMARY GREENHILL

Address of witness. 1-H Victoria Quay, Edinburgh EH6 6QQ

SCHEDULE

OBJECTIVES FOR THE PERIOD 1 APRIL 2010-31 MARCH 2015

CAPITAL MAINTENANCE & SERVICE STANDARDS OBJECTIVES⁴-

1. Scottish Water shall:-
 - (a) as a minimum ensure that standards of services provided to customers across all areas of Scotland are maintained at the levels required to be achieved at March 2010 as required by The Scottish Water (Objectives for 1st April 2006 to 31st March 2010) Directions 2005;
 - (b) improve services to customers, such that by 2013-14, standards are comparable with the upper quartile performance achieved by the industry in England and Wales in 2007-08 as measured by the Overall Performance Assessment. Thereafter it shall maintain that level of performance;
 - (c) in addition to the measures contained within the Overall Performance Assessment, ensure that the following standards are achieved:
 - A reduction in the total number of telephone contacts relating to drinking water quality relative to the position reported by the Drinking Water Quality Regulator in his annual report for the year 2009.
 - A reduction in the number of Unsatisfactory Intermittent Discharges on its network from the reported position in June 2008 and, notwithstanding the level of churn, maintain an underlying trend of overall reduction to the register.
 - Maintenance of the level of compliance at wastewater treatment works.
 - An improvement on the Overall Satisfaction Level in 2014-15 as measured by the customer service questionnaire relative to those results reported in 2008-09.
 - A reduction in the number of “second-tier” complaints referred to Waterwatch Scotland relative to the position reported by Waterwatch Scotland in its 2008-09 Annual Report.
 - A reduction in the number of properties subject to low pressure so that by 2014-15 a general position whereby customers should not remain on the **inadequate pressure register** for a period longer than the minimum necessary to resolve the problem is established.
 - Creation and maintenance of a register of all properties affected by **external sewer flooding**.

2. Scottish Water shall by 2014 reduce the leakage from its water distribution network to the Long Run Economic Level of Leakage as calculated using the current industry standard. Annual reduction milestones are to be agreed between Scottish Water, SEPA and the Commission. Thereafter it shall maintain leakage at the agreed Long Run Economic Level.

⁴ See paragraphs 12, 13 and 14 of the Statement

STRATEGIC CAPACITY FOR NEW DEVELOPMENT OBJECTIVES⁵-

3. To support the Government's purpose of increasing sustainable economic growth, Scottish Water shall: -

- (a) maintain and improve a web-based facility to enable developers and licensed providers to check the available strategic capacity for any location in Scotland;
- (b) establish a plan, for the period 1 April 2010 to 31 March 2020, to provide new strategic capacity to meet all new housing development and the domestic requirements of commercial and industrial customers;
- (c) Publish annual information (where available) outlining the capacity of the network and relevant network costs, including the nature and impact of current development plans, which allows developers and those wishing to engage in Section 29E consent activity to identify opportunities. The content of this information is to be agreed each year with the Commission;

In formulating the investment plan specified under paragraph 3(b) above, Scottish Water shall take account of: extant development plans and their associated action programmes, the General Register Office for Scotland's population projections⁶ and the SEPA/Scottish Water *Memorandum of Understanding on the Impact of Proposed Development on the Public System*.⁷ In addition, for the parts of the plan that relate to Glasgow, Scottish Water shall take account of the priorities arising from the Metropolitan Glasgow Strategic Drainage Partnership.

4. Scottish Water shall prioritise the delivery of that part of the investment plan specified under 3(b) in accordance with the spatial priorities identified in the National Planning Framework, development priorities identified by local authorities in their Structure Plans/Strategic Development Plans and Local Plans/ Local Development Plans as well as annual Strategic Housing Investment Plans and associated action programmes. In addition outwith its quality programme, Scottish Water shall, so as to minimise the likelihood of redundant assets, act in a manner so as to ensure that such strategic assets are delivered in support of committed development. This shall be ascertained in accordance with the developer confirming, as a minimum, the following:

- (a) Land ownership or control;
- (b) The development is supported by the local plan and has full planning permission;
- (c) 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) Reasonable proposals in terms of annual build rate within the approved development.

⁵ See paragraphs 32, 33, 34, 35, 36 and 37 of the Statement.

⁶ Projected Population of Scotland (2006-based), published by GROS 23 October 2007

⁷ http://www.sepa.org.uk/pdf/policies/mou_sepa_scottishwater.pdf

DRINKING WATER QUALITY AND WATER RESOURCES OBJECTIVES⁸-

5. To support the Government's objective of a **Healthier** Scotland, Scottish Water shall as regards **drinking water quality**:-

- In line with the Cryptosporidium (Scottish Water) Directions 2003 and regulation 4 of the Water Supply (Water Quality) (Scotland) Regulations 2001, seek to ensure that public drinking water supplies do not contain any micro-organism, parasite, or substance at a concentration or value that would constitute a potential danger to human health;
- Improve the taste and odour of public drinking water supplies in Scotland by ensuring that all water supplies with a Disinfection Index score of greater than 60 at the start of the investment period have a score of less than 20 by the end of the period;
- Undertake studies to determine to the extent possible the location and number of lead communication pipes in Scottish Water's ownership and establish a long term plan for the removal of these pipes;
- Undertake the opportunistic removal of lead pipes associated with other quality and maintenance programmes and carry out customer requested removal of lead communication pipes and replacements that might result in future sample fails in accordance with regulations;
- Fulfil its duties as a "Relevant Person" under regulation 4 of the Private Water Supplies (Scotland) Regulations 2006 in respect of those properties currently supplied from Scottish Water's raw water mains;
- Undertake studies in water supply zones to determine, as far as possible, the extent of water mains rehabilitation required to reduce the number of discolouration events and customer contacts; and
- Commence a programme of water mains rehabilitation, to be agreed with the Drinking Water Quality Regulator, that will reduce the risk of water quality being degraded by the condition of the distribution system when in steady state flow conditions.

7. As regards **water quality protection**, Scottish Water shall:-

- Install backflow prevention devices at waste water treatment works to comply with Scottish Water's Water Byelaws 2004. The number and location of these devices are to be agreed with Drinking Water Quality Regulator;
- Establish a Water Safety Plan, as promoted by the World Health Organisation, for all public drinking water supplies in Scotland; and
- Provide raw water sampling points at the locations specified by SEPA and DWQR.

8. As regards **security of supply**, Scottish Water shall:-

- Provide an appropriate level of physical security to Security Service standards and improve provision in the event of an emergency to take account of the requirement of the local response plan as agreed with the Scottish Government and the Drinking Water Quality Regulator; and
- Provide the necessary improvements to provide a level of service in water supply zones, to be agreed with the Drinking Water Quality Regulator, such that these zones are protected against conditions that have a probability of a 1 in 40 year return period.

⁸ See paragraphs 26, 27, 28 and 29 of the Statement.

ENVIRONMENTAL PROTECTION OBJECTIVES⁹-

9. To support the Government's objective of a **Greener** Scotland, Scottish Water shall as regards the **quality of the water environment**:-

- Improve the water and aesthetic quality of surface waters currently affected by sewage and debris discharges from sewer networks so supporting the 2014 Glasgow Commonwealth Games;
- Improve the quality of wastewater treatment works discharges to ensure compliance with the environmental standards required under the Freshwater Fish Directive¹⁰ in the designated waters as specified by SEPA;
- Improve the quality of wastewater treatment works discharges to meet the Urban Waste Water Treatment (Scotland) Regulations 1994 as specified by SEPA;
- Improve the quality of wastewater treatment works discharges to meet discharge licence standards for Biological Oxygen Demand and/or ammonia to enable waters, as specified by SEPA, to meet the water quality standards as derived from the Water Framework Directive¹¹;
- Improve the quality of surface waters by reducing discharges of oils and other chemicals from contaminated surface water drains as specified by SEPA to meet the requirements of Article 1 of the Dangerous Substances Directive¹² and the Water Framework Directive;
- Improve sewer networks and wastewater treatment works discharges to ensure compliance with Regulation 6 of The Surface Waters (Shellfish) (Classification) (Scotland) Regulations 1997 to move towards, and where possible meet the guideline standard specified in Schedule 1 of the same, that affect shellfish harvesting and production areas, as specified by SEPA;
- Improve water and aesthetic quality to ensure compliance with the Urban Waste Water Treatment Directive for surface waters currently affected by sewage and debris discharges from sewer networks, as specified by SEPA;
- Improve water and aesthetic quality to ensure compliance with the Freshwater Fish Directive¹³ of surface waters currently affected by sewage and debris discharges from sewer networks as specified by the regulator. Regarding sewer networks affecting the quality of the River Clyde and Clyde Estuary, these improvements should only be undertaken where they do not prejudice the long term strategic treatment and network solution referred to in 10 below but should, in any case, ensure that adequate performance is maintained within the existing infrastructure;

⁹ See paragraphs 15, 16, 17, 18, 19 and 20 of the Statement

¹⁰ Council Directive 78/659/EEC on the quality of fresh waters needing protection or improvement in order to support fish life.

¹¹ Council Directive 2000/60/EC establishing a framework for community action in the field of water policy.

¹² Council Directive 76/464/EEC on pollution caused by certain dangerous substances discharged into the aquatic environment of the Community.

¹³ Council Directive 78/659/EEC on the quality of fresh waters needing protection or improvement in order to support fish life.

- Improve sewer networks to ensure compliance with the Water Framework Directive for surface waters currently affected by sewage and debris discharges from sewer networks as specified by SEPA. Regarding sewer networks affecting the quality of the River Clyde and the Clyde Estuary, these improvements should only be undertaken where they do not prejudice the long term strategic treatment and network solution referred to in 10 below but should in any case ensure that adequate performance is maintained within the existing infrastructure;
- Reduce the risk of discharge compliance failures at existing wastewater treatment works, pumping stations and other network assets where the physical assets are not capable of reliably meeting the terms of existing discharge licence conditions as issued by SEPA under the Water Environment (Controlled Activities)(Scotland) Regulations 2005¹⁴; and
- Ensure compliance with the SEPA's requirements for flow monitoring and event recording at specified assets as required in licences under the Water Environment (Controlled Activities)(Scotland) Regulations 2005¹⁵.

10. As regards the effective preparation for future investment periods, Scottish Water shall by the end of 2012-13:-

- Undertake a strategic study to understand future investment requirements for an integrated network and treatment solution for discharges currently affecting water quality in the River Clyde and Clyde estuary and its tributaries to ensure compliance with the Freshwater Fish Directive¹⁶, the Urban Waste Water Treatment (Scotland) Regulations 1994 and the Water Framework Directive. Thereafter, it shall commence the implementation of the recommendations from that study as approved by the Ministers;
- Undertake studies of bathing waters specified by the regulator that do not meet sufficient status. Thereafter, it shall commence the implementation of the recommendations from those studies as approved by the Ministers in order to achieve sufficient status by 2015 as required by the Revised Bathing Waters Directive¹⁷;
- Undertake a strategic study to understand the improvements required to the quality of discharges from treatment works and the sewer networks to the River Almond catchment to comply with the Freshwater Fish Directive¹⁸, the Urban Waste Water Treatment (Scotland) Regulations 1994 and the Water Framework Directive¹⁹;
- Undertake studies to understand future investment requirements arising from the implementation of the Revised Bathing Waters Directive in order to achieve good status as specified by SEPA;

¹⁴ SSI 348/2005.

¹⁵ SSI 348/2005.

¹⁶ Council Directive 78/659/EEC on the quality of fresh waters needing protection or improvement in order to support fish life.

¹⁷ Revised Bathing Water Directive (2006/7/ EC)

http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_064/l_06420060304en00370051.pdf

¹⁸ Council Directive 78/659/EEC on the quality of fresh waters needing protection or improvement in order to support fish life.

¹⁹ Council Directive 2000/60/EC establishing a framework for community action in the field of water policy.

- Undertake a strategic study to understand the improvements required to the quality of discharges from sewer networks to the Water of Leith and Loch Ryan to comply with the Freshwater Fish Directive²⁰ and Shellfish Directive respectively;
- Undertake a study to understand the improvements required to improve the quality of discharges from sewer networks to Loch Leven and Castle Loch to comply with the Birds²¹ and Habitats²² Directives;
- Conduct 20 studies to determine a prioritised list of First Time Sewerage projects which take account of environmental need, whole life costs and customer willingness to connect to a public system, with a view to progressing such projects in future investment periods;
- Undertake studies in 26 identified water resource zones to understand the potential future investment requirements to reduce abstraction and provide increased compensation flows in order to comply with the Water Framework Directive;
- Undertake investigations at 10 sites to understand the potential requirements for the provision of fish passes or freshet releases to improve the passage of migratory fish in order to comply with the Water Framework Directive; and
- Establish, in consultation with SEPA, a plan to assess the impact of the extraneous flows (inflows and infiltration) on the sewerage network. This document will establish how Scottish Water intends to take account of extraneous flows when improving and maintaining its wastewater assets and will comprise a desk-based assessment of the current understanding of extraneous flow volumes in Scottish sewer catchments based on existing available datasets.

11. As regards the **management of waste products** associated with drinking water and sewage treatment, Scottish Water shall:-

- Develop and maintain a strategy for the sustainable and cost-effective disposal of waste products; and
- Improve sludge management facilities to meet the requirements of the Safe Sludge Matrix at two sludge treatment centres.

²⁰ Council Directive 78/659/EEC on the quality of fresh waters needing protection or improvement in order to support fish life.

²¹ Council Directive 79/409/EEC on the conservation of wild birds, transposed into UK legislation through the Wildlife & Countryside Act 1981 (as amended), the Conservation (Natural Habitats & C.) Regulations and Nature Conservation (Scotland) Act 2004.

²² Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, transposed into UK legislation through the Conservation (Natural Habitats & C.) Regulations 1994 and the Nature Conservation (Scotland) Act 2004

FLOOD MANAGEMENT

12. Scottish Water shall take all necessary steps to fulfil its duties and obligations required for the period 2010-2015 as set out in the Flood Risk Management (Scotland) Act 2009²³.

MALODOUR OBJECTIVES

13. Scottish Water shall take all measures to minimise odour nuisance at Seafield wastewater treatment works in line with the Odour Improvement Plan agreed with Edinburgh City Council.

14. To support the 2014 Glasgow Commonwealth Games, Scottish Water shall take measures to minimise odour nuisance at Dalmarnock wastewater treatment works in line with the Odour Improvement Plan agreed with Glasgow City Council.

CLIMATE CHANGE & ADAPTATION

15. In support of requirements of the Climate Change (Scotland) 2009 Act²⁴ to reduce carbon emissions by 42% by 2020 and 80% by 2050, Scottish Water shall seek to understand both the impact of climate change on the delivery of its core functions and services, and its contribution to Scotland's carbon emissions. In particular it shall:-

- Take steps to mitigate its carbon emissions by seeking opportunities to reduce energy demand, investing in energy efficiency and increasing, where it is cost effective to do so, its renewable generation capacity;
- Conduct studies and pilot work to understand how it should, in future investment periods, adapt its future and existing assets and operations to the effects of climate change; and
- Investigate and improve, where necessary, an integrated approach to catchment modelling including the improved monitoring of rainfall, river and surface water flows in partnership with other agencies.

16. Scottish Water shall prepare a plan by 2011-12 as to how it intends to promote water conservation and water-use efficiency. Thereafter it shall update that plan and report on its implementation in its Annual Report.

METERING TRIAL

17. Scottish Water shall, in consultation with the Outputs Monitoring Group, prepare a plan for a metering trial. Scottish Water shall submit the plan to the Scottish Ministers for their approval by 31 March 2011.

²³ http://www.opsi.gov.uk/legislation/scotland/acts2009/pdf/asp_20090006_en.pdf

²⁴ http://www.opsi.gov.uk/legislation/scotland/acts2009/pdf/asp_20090012_en.pdf