

Item: 8

Development and Infrastructure Committee: 9 November 2021.

Private Water Supplies.

Report by Interim Executive Director of Finance, Regulatory, Marine and Transportation Services.

1. Purpose of Report

To reconsider the charges with respect to Private Water Supplies.

2. Recommendations

The Committee is invited to note:

2.1.

That, on 10 September 2019, the Committee recommended charges to be implemented in respect of private water supplies as follows:

- Regulated Supplies – recover, whichever was the least of the following:
 - The actual costs in relation to collecting water samples, the analysis of water samples, carrying out a risk assessment and reviewing a risk assessment.
 - The Private Water Supply Nominal Island Cost.
- Type B supplies – recover, whichever was the least of the following, but to waive charges, which would otherwise apply, where the eligible person was in receipt of a means tested benefit:
 - The actual costs up to the statutory maximums.
 - The Private Water Supply Nominal Island Cost.

2.2.

That, in practice, administration of the charging system referred to above is time consuming, resulting in the proposal to introduce a set fee, as detailed in Appendix 1 to this report, which enables a fair and transparent charging system, that is easy to administer and adheres to legislation.

It is recommended:

2.3.

That the charges for regulating private water supplies, attached as Appendix 1 to this report, be approved.

3. Background

3.1.

On 7 June 2018, an internal audit report on private water supplies was presented to the Monitoring and Audit Committee which recommended a review of charges for Regulated Supplies and Type B supplies. This was felt pertinent given the introduction of new regulations at the end of 2017 and the length of time that had passed since the last charging policy was approved in 2006.

3.2.

Charges for regulating private water supplies was presented to the Development and Infrastructure Committee on 4 June 2019, when the Committee deferred consideration of the item to allow officers to provide further clarification, particularly in regard to isles-proofing the associated charges to ensure that it did not disadvantage residents living in the isles.

3.3.

On 10 September 2019, the Committee recommended the following charges for implementation:

- Regulated Supplies – recover, whichever was the least of the following:
 - The actual costs in relation to collecting water samples, the analysis of water samples, carrying out a risk assessment and reviewing a risk assessment.
 - The Private Water Supply Nominal Island Cost.
- Type B supplies – recover, whichever was the least of the following, but to waive charges, which would otherwise apply, where the eligible person was in receipt of a means tested benefit:
 - The actual costs up to the statutory maximums.
 - The Private Water Supply Nominal Island Cost.

3.4.

On 28 April 2021, the Planning and Regulatory Services Consultative Group was advised that administration of the charging system was time consuming and a simplified charging system in the form of a set fee was proposed. The Consultative Group agreed that a report should be submitted to the Development and Infrastructure Committee proposing the introduction of a set fee in respect of private water supplies.

4. Proposed Amendment to Charges

4.1.

In practice, the administration of the charging system is time consuming due to several variables, and at first point of contact only an estimate of the costs that may be incurred can be provided.

4.2.

Furthermore, because of the way the formula was written, and implemented, for the Nominal Island Cost, all other charges, apart from those associated with the taking of, and analysis of, the sample, would be waived, most notably charges for any risk assessment undertaken.

4.3.

Environmental Health already holds data on the costs of sampling, analysis and risk assessing private water supplies and, in respect of Type B supplies, the costs are greater than the statutory maximums set by the regulations. It is therefore proposed to introduce a simplified, clear and concise charging system consisting of a set fee, as detailed in Appendix 1 to this report. A summary of the cost calculations to support the new charges is attached as Appendix 2.

4.4.

By introducing a set fee, it has no bearing on geography and therefore no matter where a property is located in Orkney the charge is the same, thus honouring the requirement to Island Proof with no disadvantage to residents living in the isles.

5. Corporate Governance

This report relates to the Council complying with financial processes and procedural issues and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

6. Financial Implications

6.1.

There are currently 34 Regulated Private Water supplies, so it is anticipated that approximately £5,270 will be recovered within 2021/22 in relation to the sampling of Regulated private water supplies. Additionally, with approximately 15 to 20 Type B supplies requesting samples every year an additional £2,000 could be recovered.

6.2.

It should be noted that, due to the legislative cap on the recovery of costs from Type B supplies, the Council is unable to recover approximately £350 (17.5%) of the total sampling costs for these supplies which will have to be met by the service.

7. Legal Aspects

7.1.

The Council must make arrangements which secure best value.

7.2.

The Council has a duty to ensure certain water supplies comply with the standards set out in the Water (Scotland) Act 1980, the Private Water Supplies (Scotland) Regulations 2006 and the Water intended for Human Consumption (Scotland) Regulations 2017. The Council is entitled to charge for regulating private water supplies and the policy will assist the Council in doing this in a way which maximises resources.

8. Contact Officers

Gareth Waterson, Interim Executive Director of Finance, Regulatory, Marine and Transportation Services, Email gareth.waterson@orkney.gov.uk

Roddy MacKay, Head of Planning, Development and Regulatory Services, Email roddy.mackay@orkney.gov.uk

Nick Blowfield, Environmental Technical Officer, extension 2803, Email nick.blowfield@orkney.gov.uk

9. Appendices

Appendix 1: Private Water Supply Charges.

Appendix 2: Cost Calculations to Support Charges.

Appendix 1

Private Water Supplies Charges

Regulated Supplies (As defined by The Water for Human Consumption (Private Supplies) (Scotland) Regulations 2017) – Where the supply serves at least one commercial property, a public access property, or the supply of a number of domestic properties serving more than 50 people.

Activity	Charge for 2021/22
Statutory Water Sample - 1 sample per supply per year.	£155
Statutory Water re-sample following sample failure; or Request for specific parameters different to standard suite.	£75 Visit Cost plus + Parameter Cost(s) Advice on the cost of different parameters can be provided
Risk Assessment per supply.	£95

- The annual statutory sample charge is invoiced to the relevant person for the property sampled only. For supplies with multiple commercial properties, the sampling point will be varied annually.
- If there is more than one relevant person on a regulated supply, the cost of the risk assessment will be shared between all relevant persons.
- Where a regulated supply requires more than one sample to be taken from different properties during any visit, then a discount of the visit charge may be applied.

Exempt Supplies (Type B under The Private Water Supplies (Scotland) Regulations 2006) – This is where all the properties served by the supply are domestic properties (serving less than 50 people).

Activity	Charge for 2021/2022
Routine Sample on Request.	£118*
Request re-sample following sample failure; or Request for specific parameters different to standard suite.	£70* Visit Charge + Parameters* (Advice on the cost of different parameters can be provided)
Request for Risk Assessment of Supply.	£95

* Charged capped by legislation

Costs in relation to Islands or Island groups for sampling Private Water Supplies to inform set fee.

Table 1: Sampling of Regulated Supplies

Location	Average number of supplies/properties per trip	Costs in £					
		Travel	Officer time	Total time and Travel per property	Laboratory Analysis Costs (per sample/property)	Zonal Sampling Cost (per supply) ¹	Average Charge per property
Mainland	1	14.4	47.34	61.74	70.21	10	141.95
North Isles	3	69.5	227.4	98.97	70.21	10	179.17
Rousay/Wyre	2	54.35	94.75	74.55	70.21	10	154.76
Egilsay	2	51.2	113.7	82.45	70.21	10	162.66
Hoy	2	57.8	113.7	85.75	70.21	10	165.96

¹ In respect of Regulation 19 of The Water Intended for Human Consumption (Private Supplies) (Scotland) 2017, there is an additional requirement to undertake Supply Zone monitoring in respect of Regulated Supplies. Because of the extent and complexity of the zonal sample parameters analysed, the cost is high, therefore the cost of this analysis is divided equally by the number of regulated supplies in any given year. For 2021/22 the cost of the Supply Zone analysis alone is £319.32 and there are 34 Regulated Supplies, therefore an additional £10 has been added to the Regulated Supply charge as indicated. This will change on an annual basis as the number of regulated supplies varies.

Table 1 Note(s):

1. Papa Westray has a unique sampling regime and costs are charged directly to the Community Council who administer and maintain the water supply and therefore is not included in the table for comparison. Costs are charged as follows and are undertaken on a quarterly basis:

Sample Visit Cost (Officer time and travel) + Analysis Cost (4 x Sample Suites = 1 x Bacteriological suite) = £130.33 + (3 x 70.21) + 22.41 = £363.37

2. There are currently 248 private water supplies in Orkney. The number of supplies in each island or island group were taken into consideration when determining the set fee i.e. a weighted average, rather than simply averaging the above. Hence, the set fee in Appendix 1, has equated to the typical charge for Rousay which has 51% of Orkney's private water supplies.

Table 2: Sampling of Type B (Domestic) Supplies

Location	Average number of supplies/properties per trip	Costs in £					
		Travel	Officer time	Total time and Travel per property	Laboratory Analysis Costs (per sample/property)	Average Charge per property	Statutory CAP applies
Mainland	1	14.4	47.34	61.74	62.32	124.06	118
North Isles	3	69.5	227.4	98.97	62.32	161.28	118
Rousay/Wyre	2	54.35	94.75	74.55	62.32	136.87	118
Egilsay	2	51.2	113.7	82.45	62.32	144.77	118
Hoy	2	57.8	113.7	85.75	62.32	148.07	118