

Agenda Item	9
Report No	CP/19/26

The Highland Council

Committee: Communities and Place

Date: 13 August 2026

Report Title: Private Water Supply Duties – Fees Review

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

- 1.1 This report presents the findings of a review of fees charged for statutory private water supply risk assessment activities for commercial and larger domestic supplies and proposes revisions to ensure that charges better reflect the actual costs incurred in delivering these services on a cost-recovery basis, as permitted by legislation.
- 1.2 The Council has significant statutory responsibilities for monitoring and regulating private water supplies across Highland to protect public health. Approximately 17% of the Highland population is served by private water supplies, including 1,188 Regulated supplies (commercial and larger domestic supplies) serving around 35,000 people, alongside 1,724 domestic supplies serving over 9,000 people. Poorly maintained or inadequately treated supplies can pose serious public health risks, including outbreaks of waterborne diseases.

Under the Water Intended for Human Consumption (Private Supplies) (Scotland) Regulations 2017, the Council is required to undertake annual monitoring and five-yearly risk assessments of all Regulated supplies and is permitted to recover reasonable costs associated with carrying out these duties.

- 1.3 **Need for Review** - The review identified that the current fixed risk assessment fee for Regulated supplies (commercial and larger domestic supplies) of £97 no longer reflects the true cost of delivering the service. Initial risk assessments typically require between two and four hours of officer time, including preparation, site inspection, report writing and follow-up actions. As a result, the Council is currently subsidising a statutory function and is not achieving full cost recovery.

Benchmarking against other Scottish local authorities demonstrated that Highland's existing fee structure is generally lower than fees charged elsewhere and does not adequately reflect the resources required to undertake risk assessments of these supplies, particularly given Highland geography.

1.4 **Proposed Changes** - To improve cost recovery for the risk assessment of Regulated supplies (commercial and larger domestic supplies), it is proposed that:

- The current £97 fee for an initial risk assessment is retained to cover the first hour of officer time.
- A new charge of £50 per additional hour is introduced for initial risk assessments.
- A new fee is introduced for statutory five-yearly risk assessment reviews of £75 for the first hour and £50 per additional hour thereafter.

The existing sampling administration fee of £97 will remain unchanged, and laboratory analysis costs will continue to be recovered in full through separate sampling charges.

No changes are proposed for domestic supplies which provide water for up to 50 persons in a domestic situation (Exempt (Type B) supplies).

1.5 **Benefits** - The revised fee structure will provide a fairer and more transparent approach to cost recovery, ensuring that those on Regulated private water supplies contribute appropriately to the costs of the regulatory service. The revised fees will support the continuation of a temporary Sampling Officer post, which is essential for meeting statutory monitoring and risk assessment targets during 2026/27 and 2027/28.

2 Recommendations

2.1 Members are asked to:-

- i. **Approve** the revised fee structure for Regulated supplies (commercial and larger domestic supplies), the initial Risk Assessment fee changes from a one-off charge of £97 to a charge of £97 for the first hour and £50 for each additional hour; and
- ii. **Approve** the revised fee structure for Regulated supplies (commercial and larger domestic supplies), a new fee for the 5 yearly Risk Assessment Review of £75 for the first hour and £50 per additional hour.

3 Implications

3.1 **Resource** – The proposals are to ensure cost recovery through fees as permitted by legislation.

3.2 **Legal** – Both the Private Water Supplies (Scotland) Regulations 2006 and the Water Intended for Human Consumption (Private Supplies) (Scotland) Regulations 2017 place obligations on a Local Authority to classify private water supplies as either Regulated or Exempt (Type B) supplies:-

- **Regulated supplies** are supplies which provide water to commercial premises or provide water to more than 50 persons in domestic properties. Examples of commercial premises include holiday lets, cafes, hotels, campsites, tourist attractions and private residential rental properties.
- **Exempt (Type B) supplies** are supplies which provide water for up to 50 persons in a domestic situation.

The Regulations permit councils to recover expenses reasonably incurred in exercising their duties, including preparatory work, site visits, sampling, risk assessments and investigations. Under the 2017 Regulations, local authorities may determine their own fee structure for Regulated supplies (commercial and larger domestic supplies) based on reasonable cost recovery. However, the 2006 Regulations continue to prescribe maximum charges for certain activities relating to exempt (Type B) supplies.

3.3 **Risk** – There are no specific risks to the Council from the proposed amended policy.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no specific risks to the Council from the proposed amended policy.

3.5 **Gaelic** – There are no implications arising from this report.

4 Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 Integrated Impact Assessment - Summary

4.3.1 An Integrated Impact Assessment screening has been undertaken on 16 July 2026. The conclusions have been subject to the relevant Manager Review and Approval.

4.3.2 The Screening process has concluded that there are no significant impacts. Members are asked to consider the summary in **Appendix 1** to support the decision-making process.

4.3.3

Impact Assessment Area	Conclusion of Screening
Equality	No impact
Socio-economic	No impact
Human Rights	No impact
Children's Rights and Wellbeing	No impact
Island and Mainland Rural	No impact
Climate Change	No impact
Data Rights	No impact

5 Background – Private Water Supplies in Highland

5.1 A core function of the Environmental Health team is to deliver the Council's statutory responsibilities in relation to private water supplies across Highland. Poorly treated supplies, or failures in treatment systems, can pose a significant risk to public health. Notably, several E. coli O157 outbreaks in Scotland have been associated with private water supplies.

5.2 It is estimated that 17% of the Highland population is served by private water supplies. At present, there are 1,188 Regulated supplies, comprising commercial and larger domestic supplies, which are registered with the Council and are subject to statutory risk assessment, routine monitoring, and enforcement or remedial action where required.

These **Regulated supplies** serve approximately 4,262 properties, with an estimated population of 35,042. The Council operates a proactive inspection programme with the objective of ensuring that each regulated supply is visited annually to assess compliance with the required water quality standards.

5.3 In addition, there are 1,724 registered **Domestic private water supplies** for which the Council has a duty to provide advice and assistance, with discretionary powers relating to sampling and risk assessment. These serve approximately 2333 properties, with an estimated population of 9066.

6 Fees

6.1 The Council has a duty under The Water Intended for Human Consumption (Private Supplies) (Scotland) Regulations 2017 to undertake sampling at least annually for all Regulated supplies within the Highland Council area and a risk assessment of each supply every five years.

6.2 The 2017 Regulations enabled local authorities to determine their own fee structures for the reasonable recovery of costs incurred in carrying out duties relating to Regulated supplies. By contrast, the 2006 Regulations continue to apply capped charges for certain activities associated with Domestic supplies.

- 6.3 The frequency of sampling, and the microbiological and chemical parameters tested, vary depending on the size of the supply, the source water, and the type and number of properties supplied. The cost of this sampling is met by the owners of the properties supplied.

When risk assessing a Regulated supply, additional chemical parameters are tested, compared to an annual monitoring sample.

- 6.4 The full cost of the analytical testing undertaken by the laboratories on behalf of the Council is recovered through the applicable sampling charges.

- 6.5 In addition, the following fees are applied where appropriate:-

- **Sampling Admin fee** to recover the costs associated with sampling activities, including preparatory work, travel to and from the sampling location, collection of the sample, administration of the sampling process, liaison with the laboratory, and reporting and communicating the test results to the owners or relevant persons. This fee is £97.
- **Risk Assessment Fee** to recover the costs associated with the officer's time in preparing for and undertaking the site inspection, conducting the risk assessment, and preparing the risk assessment report, including any associated correspondence and administrative work.

- 6.6 Since 2017, the Council's non-laboratory fees have been increased annually in line with the approved Council budgets. For the 2026/27 fiscal year, a 5.8% increase was applied to these fees.

The Laboratory analysis charges are determined by the Council's contracted laboratory provider and any changes to laboratory fees are reflected in the charges levied by the Council to ensure that the full cost of analysis is recovered.

7 Background to the Review

- 7.1 Based on current staffing costs and a target of 300 risk assessments of Regulated supplies (commercial and larger domestic supplies) during 2026/27, the Council estimates that the existing fee of £97 per risk assessment does not cover the overall cost of delivering this service.

A typical initial risk assessment of these supplies requires between two and four hours of officer time, including preparation, site inspection, report writing and follow-up actions. Consequently, the actual overall cost of undertaking a risk assessment, based on current staffing costs, is significantly higher than the current charge of £97.

The Council is therefore not achieving effective cost recovery for this statutory function. A review of the fee structure was considered necessary to improve cost recovery whilst maintaining a proportionate approach for businesses and householders.

- 7.2 To inform the review, benchmarking was undertaken with other local authorities, comparing risk assessment fees, review charges and sampling administration fees. The findings of the benchmarking are provided in **Appendix 2, Table 1**.

The Highland Council's risk assessment charges for Regulated supplies (commercial and larger domestic supplies) are currently lower than many Councils with similar geographical factors, e.g. Argyll and Bute and Scottish Borders.

- 7.4 The Scottish Government monitors and reports on local authority performance in relation to private water supply monitoring and risk assessment activity through the annual report published by the Drinking Water Quality Regulator for Scotland.
<https://dwqr.scot/media/f0xfveae/private-water-supplies-annual-report-2024.pdf>

8 **Proposal**

- 8.1 The review concludes that risk assessment charges for **Regulated supplies (commercial and larger domestic supplies)** should be increased to better reflect the officer time and resources required to undertake this work.
- 8.2 It is therefore proposed that the existing fee structure is revised so that the current charge of £97 for an **initial risk assessment** is retained to cover the first hour of work, with a subsequent hourly rate of £50 applied thereafter. This hourly rate reflects the productive hourly cost of an HC06 Technical Officer.
- 8.3 It should be noted that a Regulated supply risk assessment review is required once every five years. While the review may not require the same level of officer time as the initial risk assessment, each supply is unique and the time required will vary depending on the size, complexity and any changes to the water system or its usage during the review period.
- 8.4 It is proposed that a separate fee is introduced for the **5 yearly risk assessment review** of £75 for the first hour with a subsequent hourly rate of £50 thereafter. This fee recognises the officer time required to undertake this statutory review activity.
- 8.5 The proposed fees are shown in **Appendix 2, table 2**.

In summary:-

- The **initial Risk Assessment fee** changes from a one-off charge of £97 to a charge of £97 for the first hour and £50 for each additional hour.
 - A new fee for the **5 yearly Risk Assessment Review** of £75 for the first hour and £50 per additional hour.
- 8.6 Note no changes are proposed for domestic supplies which provide water for up to 50 persons in a domestic situation (Exempt (Type B) supplies).

- 8.7 The revised fees would contribute towards the renewal of a temporary two-year Sampling Officer post. This post is essential for the Council to meet our risk assessment programme targets for 26/27 & 27/28.

Designation:	Assistant Chief Executive – Place
Date:	22 July 2026
Author:	Patricia Sheldon, Senior Environmental Health Officer (Lead officer Private Water Supplies)
Background Papers:	Transport, Environmental and Community Services Committee, 17 August 2006 Report No. TEC/73/06 'The Private Water Supplies (Scotland) Regulations 2006 and The Private Water Supplies (Grants) (Scotland) Regulations 2006'
Appendices:	Appendix 1 – Integrated Impact Assessment Appendix 2 – Benchmarking Data and Proposed Fees

Appendix 1 Integrated Impact Assessment Screening

High level summary of the proposal: This report presents the findings of a review of charges levied by the Council for private water supply sampling. It proposes revised fees based on a cost recovery model and seeks approval to introduce new charges for related private water supply activities.

Who may be affected by the proposal? Businesses and residents on a private water supply

- 1. Equality - Protected characteristics** - No impact
 - 2. Poverty and socio-economic**
 - Prospects and opportunities:** No impact
 - Places:** No impact
 - Financial:** No impact
 - Poverty and socio-economic impact details:** No impact. The policy change is about an increase in PWS charges which already exist for commercial supplies (businesses)
 - 3. Human rights** – No impact
 - 4. Children's rights and wellbeing** - no impact
 - 5. Data protection** – no impact
 - 6. Island and mainland rural communities** – no impact
 - 7. Climate change** – no impact
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Appendix 2

Benchmarking Data and Proposed Fees: Regulated supplies (commercial and larger domestic supplies)

Table 1: Benchmarking data

<u>Activity</u>	Argyll & Bute	Perth & Kinross	Scottish Borders	Stirling	Aberdeenshire	Cne Siar	Highland current	Highland proposed
Initial Risk Assessment (1 st hour)	£132	£110	£77	£70	£85	£167	£97	£97
Initial Risk Assessment (per additional hour)	£50	£36	£77	£35	-	-	-	£50
Initial Risk Assessment cap	-	-	-	£175	-	-	-	na
<i>Example</i> Initial Risk Assessment 4 hours	£282	£218	£308	£175	-	£167	-	£247
Sampling visit/admin fee	£95	£72	£106	£175	-	£101	£97	£97
Sampling visit/admin fee (per additional hour)	£12	£36	£77	£70	£149	-	-	na
5 yearly Risk Assessment Review (1 st hour)	£125	-	£77	-	-	-	-	£75
5 yearly Risk Assessment Review (per additional hour)	£50	-	£77	-	-	-	-	£50

Table 2: Highland Council fees: Regulated supplies (commercial and larger domestic supplies)

Activity	Current Fees	Proposed Fees	Comments
Initial Risk Assessment (1st hour)	£97	£97	no change
Initial Risk Assessment (per additional hour)	-	£50	new
<i>Example- risk assessment 4 hours</i>	-	<i>£247</i>	-
Sampling visit/admin fee	£97	£97	no change
5 yearly Risk Assessment review (1st hour)	-	£75	new
5 yearly Risk Assessment Review (per additional hour)	-	£50	new