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Chief Environmental Health Officers  
All Scottish Local Authorities

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## **Private Water Supplies: Private Water Supplies Grant Financial Implications – Reimbursement claims under Section 47 of the Local Government in Scotland Act 2003**

The purpose of this Information Letter is to highlight the changes to the private water supply grant offer letter, a copy of which is attached. It is also to inform local authorities that PWS Information Letter 2 2008 - PWS Financial Implications: Reimbursement claims under Section 47 of the Local Government in Scotland Act 2003 has been withdrawn and replaced with this Information Letter.

Section 47 of the 2003 Act places a duty on local authorities to make grants to eligible persons for the purpose of enabling them to improve their private water supply. Section 47 also contains a power for Ministers to make Regulations in connection with these grants and this power was exercised in the form of the Private Water Supplies (Grants) (Scotland) Regulations 2006 (the “Grants Regulations”). The Grants Regulations came into force in July 2006. Section 47 and the accompanying Grants Regulations aim to mitigate the financial implications of the Private Water Supplies (Scotland) Regulations 2006 (“the 2006 Regulations”) for those dependent on private water supplies.

Under Section 47(7) the Scottish Ministers shall make grants to local authorities in respect of their expenditure reasonably incurred in making the grants under that section. Funding for the grant scheme is held centrally and does not form part of the overall local authority settlement. Details of the Section 47 reimbursement claim procedure are set out in the Grant Award Letter and its associated schedules, which has been issued to local authorities along with this Information Letter.

### **PWS Information letter 2/2008**

This Information Letter has now been superseded as it has brought some confusion to which costs can be redeemed under “reasonable costs”. The time spent on risk assessment and sampling for a grant claim can now be claimed under staff costs, with no additional claim to be made for the risk assessment as set out in Information Letter 2/2008 . The costs incurred

for the analysis of samples relating to a grant claim will now be redeemed under the funding heading 'Cost of Analysis'. The costs for sampling are clearly set out in Regulation 33 of the 2006 Regulations.

This will have no impact on owners and users of private water supplies as these costs are still recoverable by local authorities but will now fall within the "reasonable staff costs" funding heading. Under Regulation 33 of the 2006 Regulations, local authorities have a discretionary power to charge a person for expenses reasonably incurred by the local authority in respect of risk assessments and the associated water sample and analysis costs. Local authorities retain their discretion under Regulation 33 to recover these costs directly from 'persons'. The costs of which are clearly set out in the 2006 Regulations.

## Changes to Grant Letter

Schedule 1 has changed, the breakdown of costs is now as follows:

- 1a. Total value of grants paid out in period. Please include: Number of grants processed and number of risk assessments completed.
- 1b. Staff costs
- 1c. Sampling Analysis Costs
- 1d. Travel Costs
- 1e. Other costs (please attach details)

Local authorities are also asked to provide the number of grant claims processed and the number of risk assessments done.

Schedule 4 sets out what the costs that the Scottish Government consider meet the criteria of "reasonable". Please see below.

## Reasonable costs

Staff time for the administration of the grant. For those Authorities employing FTEs this will include pension contributions etc. Specific categories of staff time that will be considered as reasonable in relation to the grant scheme includes:

- Administration time
  - Processing of forms
  - Processing of payment
  - Tracking of applications
  - Travel time for grant work
- A visit to the supply
- Verification of proposed works
- A visit to verify works have been completed
- Risk Assessment (1 visit, does not include review of risk assessment) – staff time only
- Sampling (Initial/Risk Assessment sampling and post improvement works sampling only) – staff time only
- Proportion of supervision
- Training

## Sampling Costs:

- Costs of analysis of samples taken at the time of the risk assessment (costs clearly set out in 2006 regulations)
- Post improvement works sampling

## Travel:

- Petrol
- Car Hire
- Tickets

## Other Costs:

- Advertisement
- Educational materials
- Stationery

## Costs that **cannot** be claimed are:

- Review of risk assessment
- Additional samples not required for grant i.e. investigatory samples
- Annual Regulatory samples
- Identification of relevant person
- Serving of notices
- IT/Mobile phones
- Attendance at working groups/workshops
- Attendance at public meetings unless to advertise grant or joint grant claim
- More than one risk assessment or sampling for each grant claim i.e someone contacts the LA after original request and a further risk assessment and sampling is needed. These costs should be recovered from the claimant.

Yours sincerely



**Eleanor Vance**  
Drinking Water Quality Division