

Consultation submitted: 21 February 2024 via Citizen Space

# Water, Wastewater and Drainage Policy Consultation

### About us

Consumer Scotland is the statutory body for consumers in Scotland. Established by the Consumer Scotland Act 2020, we are accountable to the Scottish Parliament.

Consumer Scotland's purpose is to improve outcomes for current and future consumers and our strategic objectives are:

• to enhance understanding and awareness of consumer issues by strengthening the evidence base

• to serve the needs and aspirations of current and future consumers by inspiring and influencing the public, private and third sectors

• to enable the active participation of consumers in a fairer economy by improving access to information and support

Consumer Scotland uses data, research and analysis to inform our work on the key issues facing consumers in Scotland. In conjunction with that evidence base we seek a consumer perspective through the application of the consumer principles of access, choice, safety, information, fairness, representation, sustainability and redress.

Consumer Scotland | Meadowbank House | 153 London Road | Edinburgh | EH8 7AU

### consumer.scot

### **Our response**

Consumer Scotland welcomes the opportunity to contribute to the Scottish Government Water, Wastewater and Drainage Policy Consultation.

As the statutory body for consumers in Scotland, we recognise the importance of the policy review and development process in helping Scotland's water sector to adapt and respond to the impacts of climate change.

In order to better understand consumer views on the subject of climate change and adaptation in the water sector, in 2023, Consumer Scotland commissioned Ipsos to deliver a deliberative research project. As part of this research, 41 participants, broadly reflective of Scotland's population, met over five three-hour workshops to answer the key question:

```
"How should we deal with the impacts that climate change is having – and will have – on water in Scotland?"
```

Through this research, we tested consumers' views on a range of policy options related to adaptation in the water sector and sought to understand support required by consumers to change their water behaviours to become more sustainable overall. Our consultation response draws heavily from our forthcoming deliberative research, the full report of which will be published in the spring of this year.

Consumer Scotland's position as a cross-market consumer body also allows us to draw from learning, insight and analysis from the other sectors that we operate in. We applied this approach in our report published last year on <u>Consumers and the Transition to Net Zero</u>, which we have also referenced in our consultation response.

From our perspective, one key overarching principle is the need for a consumer-centric and joined-up approach to net zero and adaptation.

As part of the transition towards net zero, consumers across a range of different markets will be required to make changes to their behaviours, from decarbonising homes and means of transport, to more day-to-day lifestyle changes to cut down on waste and household emissions. Many of these changes are complex, costly and require the right type of support.

The changes that consumers are encouraged or required to make in the context of the water sector should not be seen as distinct, or separate from, the wider net zero and adaptation agenda. We have sought to highlight areas where policy alignment would bring improved outcomes for consumers, and we encourage further strategic thinking on how this coordinated approach can be achieved across different policy agendas. This is particularly important in light of the scale and pace of change required to adapt to climate change and the essential role that consumers will play in this process.

### **Drinking Water - Availability**

1. <u>Do you agree that Scotland needs to set out a plan to manage our water resources, for</u> <u>now and into the future?</u>

o Yes

2. <u>To what extent do you agree that taking a national view of catchment risks will help</u> <u>better protect drinking water sources from pollutants?</u>

o Agree

3. <u>To what extent do you agree or disagree that everyone in Scotland needs to use less</u> <u>drinking water?</u>

o Strongly agree

4. How do you think people and businesses could use less drinking water?

# Invest in education, campaigns and awareness-raising around the value of water and the need to conserve it.

Consumer Scotland's evidence shows that consumers in Scotland generally tend not to give significant attention to where their water comes from and their personal water use. This is a consistent finding across both our qualitative and quantitative research. For instance, our 2023 net zero survey found that, while most consumers (77%) in Scotland report being concerned about climate change, only around one in five (19%) are concerned about how much water is used in their home.<sup>1</sup> The current perception of abundant water supplies tends to act as a barrier to behavioural change. A consistent view expressed in our forthcoming deliberative research described water resources in Scotland:

#### "In my mind it's just an endless supply."

This indicates that more work needs to be done to promote 'conserving water' as an action that consumers associate with behaving in an 'environmentally friendly' or 'sustainable' way.

Our evidence also highlights that consumer misunderstandings tend to be exacerbated by messages that appear contradictory, such as that climate change will result in more rainfall, but at the same time people should use less water. Confusion on this point also came through in our net zero survey, where over a third (37%) of consumers agreed with the statement that 'it rains so much where they live that there is no need for them to use less water'.

To encourage people to use less drinking water, there is a need for water industry stakeholders to deliver a programme with the intention of building public awareness. This should aim to address any known and widely held misconceptions, such as, that high rainfall

<sup>&</sup>lt;sup>1</sup> https://consumer.scot/media/vzig1umd/consumers-and-the-transition-to-net-zero.pdf

amounts to abundant water supplies in Scotland year-round. It should also aim to encourage a better overall understanding of the value of water, the cost of providing safe drinking water, and the need to conserve it.

There was strong support from consumers in our deliberative research for education and raising awareness as a means of empowering all consumers to do things differently. In particular, for clearer communication about the scale of the challenge faced by the water sector - "Communicate better to the public how big the problem is, we need to know" - alongside the role of both investment and behavioural change – "The public need to understand and respect that the water ecosystem is a finite resource and will need investment and more efficient use to maintain it."

Multiple mediums need to be utilised for effective communications to have a sufficiently wide reach. It will also be important to evaluate campaigns in order to build an evidence base around effective adaptation campaigns and the types of messaging that have a greater reach or impact. At the same time, there is a need for the water sector to harness some of the knowledge around successful behavioural interventions within other sectors that are seeking to decarbonise. Relevant case studies could include consumer uptake of electric vehicles or low-carbon technologies for heating homes, such as heat pumps.

### Accompany awareness raising with structural changes, driven by regulation, to support consumers to change engrained habits

While significant, helping consumers to understand the issues and take action to change their behaviour is only part of the picture. To adapt to the challenges ahead, behavioural interventions will need to be accompanied by structural measures that help to embed water efficiency into the design of new and existing homes and products. Indeed, our deliberative research highlighted that consumers also expect the Scottish Government, Scottish Water, business and industry to take action as well.

More specifically, consumers expect the Scottish Government and Scottish Water to take a lead at coordinating efforts and creating necessary legislation. This includes the development of a water efficiency strategy for Scotland, which would set out how the Scottish Government intends to support consumers (including businesses) to reduce their water use. Participants in our deliberative research were also in favour of setting more stringent building standards for water efficiency measures in new build homes, and for setting stricter regulation on manufacturers of white goods to ensure products meet necessary water efficiency standards. At the same time, participants within the research expressed strong concerns that manufacturers and developers would seek to pass the costs of compliance with new regulation onto consumers. When using building and product standards to drive change, consideration should be given as to how to share the burden of costs equitably, with particular attention to avoiding disproportionate detriment on low income and vulnerable consumers.

In our report 'Supporting sustainable water use among Scotland's consumers', Consumer Scotland also noted that leakage levels within the public supply can act as an 'attitude'

barrier to consumers adopting water saving behaviours.<sup>2</sup> Consumers have told us they want to see water suppliers actively invested in tackling leakages and reducing their own water footprint. Continuing to make progress on leak reduction sends an important message to consumers about the value of water and will give greater legitimacy to water conservation campaigns initiated by Scottish Water.

Metering of domestic consumers is a possible option both the Scottish Government and Scottish Water may consider to reduce domestic water use. Our research suggests there are mixed consumer views on water metering. During the deliberative dialogues, those in support argued that meters for monitoring purposes could help make people more conscious of their water use. They were also seen as a means of gathering useful information on where water usage was highest so that campaigns to reduce usage could be more targeted. Where participants were opposed to meters, this was based primarily on concerns about them being linked to billing. There was a view that they could be a catalyst for water poverty and would penalise some groups, such as those on low incomes, those with large families, and those with disabilities or health conditions. More work is required to understand and test how consumer concerns can be addressed, such as pilot studies to explore the likely impact on different consumer groups and how to avoid the burden falling disproportionately on vulnerable consumers.

#### Water efficiency within the non-household market

Small to medium sized enterprises (SME's) in Scotland face different barriers towards reducing their water use. Substantive metering in this sector means that many businesses already face a financial incentive to cut down on their water use. However, compared to other costs to business, water charges are relatively low and stable. One study for Consumer Scotland's predecessor body found that 60% of SMEs surveyed have never switched provider. The majority (55%) of responses given by SMEs for not switching related to being satisfied with the cost of service.<sup>3</sup>

At the same time, the current standard tariff structure whereby the unit cost for water goes down as usage levels increase may have the unintended consequence of disincentivising efforts to use less water. Overall, unless a SME relies on water as a key component of the service or product they supply or they are particularly sensitive to water scarcity, it is unlikely that they consider water efficiency as a priority for their business.

Consumer Scotland has a specific responsibility for supporting small business consumers, and this is where our focus lies in the non-household water market (NHH). Linked to this, we are supporting work to develop a voluntary Code of Practice for the non-household sector.

<sup>&</sup>lt;sup>2</sup> https://consumer.scot/media/wmbbixzt/consumer-scotland-water-efficiency-reportdocx.pdf

<sup>&</sup>lt;sup>3</sup> <sup>3</sup>https://www.cas.org.uk/system/files/publications/are\_you\_being\_served\_final\_report\_for\_publication\_march\_2022.pdf

The Code of Practice will provide licensed providers in the market with greater opportunity to differentiate through services, while making it more straightforward for business customers to understand and select a licensed provider based on those service levels.

The Code of Practice could represent one route to increase the adoption of water efficiency services by businesses. Clearer differentiation across factors separate from price, of which water efficiency advice is one, would encourage licensed providers to compete through more widespread and cost-effective delivery of these services.

Scottish Water's possible roll-out of smart metering at scale to the non-household market also represents a substantive opportunity to minimise network / user leakage, while providing metered users with near real-time information to inform their own water efficiency efforts. While we note that Scottish Water's plans in this area are not yet finalised, much of the benefits identified in their draft strategy relate to leakage reductions in comparison with behaviour change from metered businesses. If the business case for smart metering is taken forward, there will be an opportunity to be more ambitious in this regard, and potentially to provide firms with more useful comparator data (e.g. for similar firms in their sector) to drive reductions in demand.

The Scottish Government should engage further with Scottish Water and licensed providers to consider the scale of this opportunity.

Many of the smallest businesses are not metered and may be billed through a shared supply. Therefore specific consideration should be given to a targeted information campaign for these users, although other actions set out in our response would likely drive more substantive reductions in network wide usage.

Although our focus is on small businesses, the Scottish Government should consider areas in which specific interventions could deliver the most benefit for the water sector at large. As outlined by Market Operator Services Limited (MOSL), the top 1% of non-household users in England account for half of the daily consumption of the NHH entire market, and MOSL note that these users themselves could benefit substantially from reducing their own usage. Our understanding is that the Scottish non-household market has a similar profile, in which a small group of high volume users account for a disproportionate level of usage.

The Scottish Government should engage Scottish Water, licensed providers and large NHH customers to understand if market incentives alone are sufficient to constrain water usage amongst these users, and whether more targeted initiatives to drive water efficiency in these high-volume users would better support the intent of the consultation.

A further, more general area where the Scottish Government may wish to engage is by considering how procurement could be used as a driver to engage businesses more firmly in the water efficiency debate. Integrating a requirement for an explicit water efficiency strategy (with accompanying monitoring) as a prerequisite for bidding for contracts of a certain value in the public sector could drive deeper engagement with this issue. The Scottish Government could also engage with large businesses across Scotland which procure

services to consider whether they would integrate similar requirements as part of their own sustainability initiatives. Such an approach would need to be targeted to avoid being overly burdensome to the smaller firms, and the Scottish Government would need to consider whether funding to support water efficiency advice to develop such a strategy would need to be bolstered, if such a requirement was to be brought forward.

#### 5. Would you like to know how much water you use in your home?

#### o Not applicable

### 6. <u>Would you seek to reduce your water usage if this avoids building expensive new</u> reservoirs and water treatment works?

#### o Not applicable

#### 7. Would you know where to find information on using less water?

General advice and information on using less water is available to consumers online (e.g. through Scottish Water's website<sup>4</sup>). We do not hold information on how often consumers access these sources of information, or how helpful they find them. There may be value in Scottish Water undertaking periodical research to monitor the impact of these sources of information or (if this is something that is already carried out internally) making this information publicly available.

In general, however, our evidence suggests that a more significant personal barrier to behavioural change is motivational, in that the inconvenience or hassle of taking action to conserve water is often seen to outweigh the perceived environmental impact.

For instance, in our net zero survey, we asked consumers to indicate the reasons why they do not undertake a range of water interventions at home. In response to a list of reasons provided as to why they were not 'turning a tap off while brushing teeth, shaving or washing face', the largest percentage of responses (37%) self-reported that this was 'too much hassle', closely followed by the perception that it would be 'ineffective in reducing environmental impact' (32%). Only 12% of responses cited 'not knowing enough about this' as a reason for inaction. The results are similar for the behaviour 'ensuring dishwashers and washing machines are full before running'.<sup>5</sup>

The messages that resonate most with consumers – helping to win over 'hearts and minds' – tend to be those that make the issue of water scarcity feel real and imminent, while appealing to people's values, concerns and lived experience.<sup>6</sup> There are a broad spectrum of factors (personal, societal, cultural etc.) that go toward shaping people's behaviours. This is why shifting engrained behaviours must go beyond the provision of information and advice

<sup>&</sup>lt;sup>4</sup> https://www.scottishwater.co.uk/Your-Home/Save-Water/Water-Saving-Advice

<sup>&</sup>lt;sup>5</sup> https://consumer.scot/media/vzig1umd/consumers-and-the-transition-to-net-zero.pdf

<sup>&</sup>lt;sup>6</sup> <u>https://www.ccw.org.uk/app/uploads/2023/05/Desktop-review-of-behaviour-change-campaigns.pdf</u>

and must seek to address underlying motivations and concerns by tapping into problems that feel real and present.

For example, with the current concern about energy bills, our research evidence suggests that messages around energy savings from hot water use are likely to resonate with consumers. For participants in our deliberative research who did report making an effort to conserve water, one of their key motivating factors was saving money on their energy bill through minimising their hot water use. Similarly, in our net zero survey, over a quarter (27%) of consumers agreed with the statement that that they 'would only reduce their personal water use if it saved them money'. Enabling the 'joined up' provision of water and energy advice can help lead consumers towards a better understanding of some of the multiple benefits of adopting water efficient behaviours, including lower energy bills and lower carbon emissions. The partnership between Home Energy Scotland and Scottish Water, which delivers water saving devices to consumers in Scotland alongside energy efficiency support and funding, sets a precedent that is worth building on in this area.

8. <u>To what extent do you agree or disagree that the process for responding to water</u> <u>shortages should be changed so that appropriate action can be taken as soon as it is</u> <u>needed?</u>

o Agree

### Drinking Water – Quality

- 9. <u>To what extent do you agree or disagree that all of Scotland's plumbing should be made lead-free?</u>
- o Strongly agree
- 10. <u>Would you know where to get information on how to ensure that your pipes are not</u> <u>affecting your drinking water?</u>
- o Not applicable
- 11. Do you agree that all drinking water supplies, regardless of size or ownership, should be tested and inspected to ensure that drinking water is safe?
- o Strongly Agree
- 12. <u>What support do owners and users of private water supplies require to ensure that</u> <u>drinking water is safe?</u>

The water quality results for domestic private water supplies (PWS) are on average worse than public water supplies. Over the last decade there has been little change in this picture, and the 2021 reported figures show 86% of water tests for PWS met the required drinking water standards across a range of health-based criteria. This compares with 99.92% for public water supplies. Of further concern are the figures for specific key parameters, such as the prevalence of faecal contamination in the water. Faecal contamination was found in 33% of PWS samples, with 16% containing harmful E.Coli. This compares with a 0.008% rate of E.coli in the public water supply. In general, the health risks associated with drinking from a PWS are thus substantially greater than those from the mains water supply.<sup>7</sup>

Without significant change to the current landscape, the low water quality compliance rates and climate change vulnerabilities of PWS are unlikely to improve, and the disparity between public and private water supplies, in terms of reliability and quality, will remain.

In 2022, Consumer Scotland commissioned research with a view to better understand the needs of PWS users in relation to advice and support about their water supply. The key recommendations from our report are as follows<sup>8</sup>:

The Scottish Government should examine how to bring together all aspects of support and advice to provide a so-called 'jumping off point'.

<sup>&</sup>lt;sup>7</sup> Drinking Water Quality Regulator, *Private Water Supplies: Drinking Water Quality in Scotland 2021*, <u>pws-annual-report-2021.pdf</u> (dwqr.scot)

<sup>&</sup>lt;sup>8</sup> Full report available at: <u>https://consumer.scot/media/v43cues4/advice-support-and-funding-needs-of-private-water-supply-users.pdf</u>

There is currently no single, comprehensive source of information and support for PWS users. Instead, generic information is available from a range of online sources, including Local Authorities, the Drinking Water Quality Regulator (DWQR), the Scottish Government and Citizens Advice Scotland. PWS users often either find these resources inadequate for their needs, or they aren't aware of them.

We have identified a need for a central source of information that can provide PWS users with information and links to other methods of support. These would include:

- Tailored advice
- Links to regulatory registration
- Online training tools
- Water management tools such as risk assessments and water sampling options
- Routes for connection to the public water network
- Access to funding support.

Local authorities (and any future single service offering) need to promote water Our response tools, such as risk assessments and water sampling as beneficial for PWS management.

Water sampling and risk assessments are valuable tools that can help PWS users proactively manage their supply. Nonetheless, risk assessments are only required for Regulated supplies, which account for 20% of all PWS. As such awareness of what a risk assessment is amongst the remaining 80% of non-regulated, domestic PWS community, is low.

There is a need to improve awareness and actively promote risk assessments amongst domestic PWS users. This should include a focus on encouraging their use as a water management tool and not merely a regulatory requirement. Where risk assessments are also linked up to tailored advice, support and grant funding options or training opportunities, they are likely to better enable PWS users to address any identified risks.

In addition, regulatory water sampling is usually arranged by a local authority. However, accessing follow-on advice after water sampling has been carried out is not always easy. Consideration should also be given to alternative testing bodies, such as Scottish Water or private companies, and possibly self-administered water sampling. Scottish Water may be well positioned to carry out water sampling as they are specialists in water management and monitoring and are already regularly sampling public water supplies across rural parts of Scotland. Regardless of the body carrying out tests, results should be combined with access to the full results, delivered in plain English language, with follow-on tailored advice and support where necessary.

The Scottish Government should consider undertaking a comprehensive review of the funding options for PWS, with the view to delivering an approach that better reflects PWS users' needs.

The current grant for PWS, which is fixed at £800, does not adequately reflect either the costs of ensuring a PWS can provide safe and sufficient drinking water, or the ability of PWS users to meet the costs. The risks facing PWS from climate change and land use changes may mean PWS users have to consider major upgrades, such as a borehole or connecting to the public mains, in order to maintain a safe and reliable drinking water supply.

Neither does the current grant reflect PWS vulnerabilities or income levels. In any potential changes to grant funding, the Scottish Government may want to also consider how to encourage innovative approaches to resilience, including enabling communities to pool resources to create a more resilient community supply and to enable funds to be used for mains connections.

In tandem with this, the Scottish Government also need to consider and provide clarity on a strategic and longer-term programme of mains water connections for PWS. The Scottish Government in partnership with Scottish Water, Consumer Scotland and local authorities is currently piloting a programme of mains water network extensions to better enable PWS community connections into the mains water network. It is important the learnings from the pilot inform and shape a long-term, structured approach to mains water connections as part of resilience planning for rural PWS communities in Scotland.

#### 13.Do you have any further views on public and private drinking water supplies?

#### Water resource planning

A key barrier to effectively managing drinking water resources is the fact that there is currently no legal requirement to plan for Scotland's water resources. This makes it challenging to assess whether, in future, Scotland's water supply will be sufficient for meeting all needs. It also makes it difficult to strategically manage potential conflicts in water use driven by current and evolving policy agendas, such as land use policy, economic, food and energy security policies (including hydrogen production) and ecological/environmental policies such as enhancing biodiversity and afforestation.

Participants in our deliberative research were generally in favour of national water resource planning. This was felt to be a fair approach, which would engage other economic sectors and actors (beyond the consumer) to consider essential and non-essential uses of water. Notably there was a sense that this would amount to a "common sense" approach, with some participants questioning why national water resource planning was not already taking place.

A national water resource management plan is an essential governance framework which will enable Scotland to build its resilience to droughts and water scarcity and to safeguard both the quantity and quality of its water resources. The requirements for Scotland to plan for water resources should be set out in legislation, and the plan itself should seek to provide a framework for assessing and holistically managing the water demands of different sectors alongside protecting the water needs of the environment. The water resource management plan should also take into account any future water efficiency strategy and the consumer outcomes within it.

We would expect a water resource management plan to be evidence-based, and for all major water users (food and agriculture, energy, public supply) - and consumers within these markets - to help shape the plan's development.

#### Lead in pipes

The Scottish Government has committed to align with EU law and as such the recast Drinking Water Directive (rDWD). This requires countries to use their best endeavours to achieve a 5ug/l lead value in drinking water by 2036. To achieve this, we believe a national lead strategy should be developed in order to ensure a fair and strategic approach is taken. A national lead strategy would support a coordinated and structured approach that can ensure vulnerable groups such as children and those more likely to have lead pipes are targeted. A strategy could also consider funding frameworks, plumbing material standards, and realistic timescales for national scale lead pipe removal.

We expect the national lead strategy to build on Scottish Water's existing commitment to remove lead from the public water network by 2045. It should also recognise the current need for Scottish Water to use phosphate in public supplies to protect against the negative impacts of lead in drinking water, along with any potential risks to the availability of phosphate in the future.

Previous research by Scottish Water has found there to be low consumer awareness around the presence of lead in pipes, with the assumption for many being that lead pipes had been eradicated in the 1970s. Many consumers do not remember ever seeing any communication from Scottish Water about lead in water, or any information about lead pipes that may still be present. Consumers also reported being uncertain as to whether their own properties had lead pipes or not, or how they would establish their presence. As stated in Scottish Water's report, there was an appetite amongst consumers for action to be taken to remove lead, with concern around the health risks posed to children and pregnant women being key drivers. However, views on who should pay for the solution were mixed. Some consumers thought that those with lead pipes should be responsible for the costs of getting rid of them, whereas others preferred that the cost be shared across all Scottish households (whether that is by an increase in council tax or by making grants available) <sup>9</sup>

If the Scottish Government intends to scale up domestic lead pipe replacement in future, it is important that proactive steps are taken to communicate risks to consumers. Without a full understanding of the risks, it may be difficult to persuade consumers to take action to replace lead in their pipes, particularly in light of the cost of getting the work done, the disruption caused by works and in the absence of legislative drivers. Scottish Water might

<sup>&</sup>lt;sup>9</sup> https://www.scottishwater.co.uk/-/media/ScottishWater/Document-Hub/Key-Publications/Strategic-Plan/Research-Projects/300120ResearchProject16LeadRemoval.pdf

consider working with other organisations, such as Public Health Scotland, and with local authorities to deliver a targeted communication strategy.

In addition, under proposals in the Scottish Government's Heat in Buildings Bill, consumers will be expected to take various actions to decarbonise their homes, particularly if they live in older and less energy efficient homes. It is worth investigating ways - including through financial incentives and grants - to encourage homeowners to check for and remove lead pipes as part of the same overall renovation works, as this may help to mitigate the 'disruption' cost to lead pipe replacement that homeowners face.

### **Drainage of Rainwater**

<u>14. Who do you think has a role in changing how we manage rainwater in Scotland to adapt</u> to the impacts of climate change?

o Individuals,
o Homeowners,
o Businesses,
o Scottish Government,
o Scottish Water,
o Local Authorities,
o Scottish Environment Protection Agency (SEPA),
o Land owners,
o Farmers,
o House builders,
o Community groups

# <u>15. To what extent do you agree that you/your organisation have/has a role in changing how</u> we manage rainwater in communities to adapt to the impacts of climate change?

o Strongly agree

16.What would you/your organisation be willing to do in your home/property to manage rainwater differently? For example, disconnect your down pipes from the sewer, have permeable driveways, install water butts and/or rain gardens.

Our deliberative research interrogated consumers' willingness to manage rainwater differently. There was a view that the public would be open to doing things differently, with the appropriate support to help them to transition. As with water efficiency, there is a strong need for awareness raising to support this outcome.

We found during our deliberative research that consumers are shocked by the potential scale of climate change impacts, including those posed to Scottish Water assets and communities from increased rainfall and intensity of rainfall. Consumers want the Scottish Government, Scottish Water and local authorities to take the lead on efforts to coordinate and legislate where necessary, along with ensuring support and incentives are in place to enable people to engage differently with rainwater.

Practical solutions from consumers have included increasing the visibility of water butts in public spaces, such as in housing developments and community spaces and reflecting on possible 'intervention points' outside of the water sector, such as in hardware or garden stores, or through home improvement programmes on TV. Catching consumers at a point when they are in the process of carrying out home renovations or other 'moments of change' (e.g. retirement, moving home, moving out of the family home, and having children)

is key. This is partly because these are times when old habits are broken, making it easier to form new ones.<sup>10</sup>

This lack of awareness goes beyond the individual consumer, as there may also be structural issues at play that disincentivise proactive rainwater management at a household level. For instance, contractors hired to carry out home renovations may also lack the relevant understanding or experience to offer the option of a water butt/permeable driveway. Where local authorities impose charges for garden waste collection, this may have an unintended consequence of discouraging the maintenance of natural garden spaces. We recommend a review of these structural issues, alongside positive financial incentives which could be offered to homeowners or businesses.

<u>17. Would you know where to find information on how to best manage rainwater in your property?</u>

o Not applicable

<u>18.To what extent do you agree that there is a need to plan, build, maintain and make room for drainage infrastructure to better manage rainwater in our villages, towns and cities?</u>

o Strongly agree

19. What should Scotland's drainage systems look like in the future?

o A combination of both grey and blue-green infrastructure

20.Do you have any further views on how Scotland should manage rainwater in the future?

# Use legislation to embed 'BGI-first' thinking and a joined-up approach to BGI planning and delivery

Consumers have told us that they see a need for both traditional engineering and blue-green infrastructure (BGI) in reducing the risk of surface water flooding in future. However, the community benefits that can be achieved with blue-green solutions and the perception BGI can be more cost-effective in the long-term were seen as additional benefits. As noted in one of our deliberative dialogues:

"Instead of going straight to hard concrete solutions, focus first on the soft, less invasive, more natural solutions first and only if they don't fit then go to the [engineering solutions]."

Similarly, recent research by the Consumer Council for Water (CCW) - who represent water and sewerage consumers in England and Wales – found a strong consumer preference

<sup>&</sup>lt;sup>10</sup> https://www.ccw.org.uk/app/uploads/2023/05/Desktop-review-of-behaviour-change-campaigns.pdf

amongst those they surveyed for nature-based drainage and sewerage solutions over manmade ones, even when the environmentally friendly options add more to bills.<sup>11</sup>

The policy development process offers a key opportunity to embed 'BGI-first' thinking across decision-making at all levels contrary to it being viewed as optional or being deprioritised based on cost. At the moment, neither Scottish Water nor local authorities are obliged to plan, deliver and maintain an integrated strategic drainage system and as such, BGI delivery in Scotland is currently fragmented. In some cases, local authorities hold insufficient information to understand how the surface water drainage network is functioning as a whole, and this limits their ability to proactively plan and deliver BGI interventions where they are most effective, multifunctional and adaptable to the future. In addition, as BGI planning is not a statutory requirement, the evidence suggests that BGI measures envisaged at the beginning of a project are at risk of being carved out subsequently to bring down costs.<sup>12</sup>

Frameworks need to be in place to allow organisations involved in BGI planning – including local authorities (across different functions) and Scottish Water - to work in a joined-up manner. Within Scotland, various – formal and less formal – examples of partnership approaches have been adopted across different urban areas, including the Metropolitan Glasgow Strategic Drainage Partnership and the Edinburgh and Lothians Strategic Drainage Partnership, amongst others. We recommend a review of the current approaches to partnership working which may help to ensure that good practices are captured and shared more widely, particularly those related to community engagement. We also agree that there is value in creating a statutory duty or function for Scottish Water and local authorities to collaborate on long-term planning for rainwater management, which should include a clear requirement to consider BGI in the first instance. A core principle of each partnership should be the delivery of place-based, community-informed BGI projects.

The provision of multiple co-benefits was found to be a key reason for consumers to be attracted to BGI. However, the amenity that BGI can offer at a specific site is poorly understood and often undervalued in practice. Policymakers need to be able to take a holistic view of the drainage system, as it interacts with other systems, in order to understand and quantify the value and the multiple benefits that BGI is capable of providing. This includes where BGI offsets negative impacts elsewhere. Recognising and finding a way to cost, each of the benefits of a BGI asset as spread across different systems will help to make a stronger case for investment in BGI and may give stronger protection against blue green spaces being removed or altered in future as a result of competing demands on land.

### Enable place-led approaches to planning BGI, including through co-designing solutions with consumers and communities

Our report *Overcoming* Barriers to the Adoption of Blue-Green Infrastructure BGI, which was based on a literature review and stakeholder workshop, highlighted the importance of

<sup>&</sup>lt;sup>11</sup> https://www.ccw.org.uk/publication/keen-to-go-green-customer-preferences-and-priorities-for-waste-water-solutions/ <sup>12</sup> <u>https://consumer.scot/media/k0ufweph/overcoming-barriers-to-the-adoption-of-blue-green-infrastructure.pdf</u>

adopting a place-based approach to planning and design of infrastructure, which centres on communities and their needs.<sup>13</sup>

When communities are more involved in making a change and share ownership of the space, this increases the likelihood of them positively engaging with it in the longer-term, including by taking action to maintain it either through active use of the space or engaging in positive behaviours like litter-picking. A place-based approach is key to ensuring that the needs of the community and any concerns they may have – such as around disruption to travel routes or safety - can be understood and addressed early on.

BGI has the added benefit of being visible. This may help to enhance consumers' understanding around wastewater systems, as well as opportunities for education. As a participant in our deliberative research put it:

"The rain gardens bring visibility to the problem, whereas the other one [the storm tank] hides it all away. This is on the surface so they [the community] can see why it's there and try to address the problem themselves as well."

### Review the effectiveness of available options for managing unplanned increases in impermeable surfaces

Although the amount of permeable land in Scotland lost to urbanisation is not easily quantifiable, one study found that the city of Edinburgh lost an average over 15 football pitches of vegetated land per year to urban creep, between 1990 and 2015.<sup>14</sup> Concern around 'irresponsible' development that fails to consider surface water flood risk also emerged as a key theme of our deliberative research, and participants expressed alarm at the large amounts of green space being lost in urban areas of Scotland over each year.

We recommend that the Scottish Government review the effectiveness of available options for managing unplanned increases in impermeable surfaces. That might involve reducing the extent of permitted development rights for hard surfaces, requiring the use of permeable materials for surfaces in back gardens and driveways and improving controls and oversight over drainage within new developments. It might also involve clearer information provided to consumers around how changes made to their outside space may affect flood risk and the wider environment, perhaps targeted at whole communities living in higher flood risk areas.

#### The importance of an equitable approach

Not all consumers have equal access to the benefits of blue-green spaces. In 2021, while a little over half of adults (51%) visited their nearest area of green or blue space every day or several times a week, the frequency of visits was lower amongst disabled people or those

<sup>&</sup>lt;sup>13</sup> <u>https://consumer.scot/media/k0ufweph/overcoming-barriers-to-the-adoption-of-blue-green-infrastructure.pdf</u>

 $<sup>^{14}</sup> https://www.crew.ac.uk/sites/www.crew.ac.uk/files/publication/CRW2016\_16\_Urban\_Creep\_Main\_Report\%2Blink.pdf$ 

who reported poorer general health.<sup>15</sup> Inequality also exists in terms of social deprivation and flood risk exposure, as people from areas that are classed as more deprived disproportionately face more flood risk than those in less deprived areas.<sup>16</sup> Participants in our deliberative research were keenly aware of this. As one participant observed:

> "I know why street water is a problem in my area. I live in a really poor area. Ten minutes' walk away, in a much wealthier area, the potholes have vanished, and they don't have so much street flooding.

With BGI, there is an opportunity to target investment in neighbourhoods more at risk of flooding and where there are existing problems with residents accessing high-quality green and blue spaces. BGI planning should include the wider social context, to allow consideration of how those communities with least resilience to flood events can be better protected and receive a greater share of some of the positive benefits from greater access to BGI.

<sup>&</sup>lt;sup>15</sup> Scottish Household Survey (2021) Telephone survey: key findings <u>https://www.gov.scot/publications/scottish-household-survey-</u> 2021-telephone-survey-key-findings/pages/9/

<sup>&</sup>lt;sup>16</sup> https://assets.publishing.service.gov.uk/media/6270fe448fa8f57a3cdbbeb9/Social\_deprivation\_and\_the\_likelihood\_of\_flooding\_-\_report\_2.1.pdf

### Wastewater Collection and Treatment

# 21. Should investment be prioritised to address overflows that have a negative impact in the environment?

Please to response to question 31.

## 22. To what extent do you agree or disagree that more should be done to stop items being disposed of down toilets or drains?

o Strongly agree

23.How do you think we can change behaviours to avoid the disposal of substances or matter in the toilet/sewer (e.g. wet wipes, cotton buds, nappies and hygiene products etc.)?

The initial feedback from participants in our deliberative research was that wastewater services were not an issue that they had thought much about before, apart from specific occasions where they had experienced an issue such as a burst or corroded pipes. An exception exists for those with experience of using septic tanks, who described higher levels of awareness around their sewerage system as a result of being responsible and "having to care".

During our deliberative research, a strong view came across that individuals were responsible for their own behaviours impacting on wastewater systems. This willingness to accept responsibility was reflected in our net zero survey as well, where a high number (73%) of respondents 'disagreed' or 'strongly disagreed' with the statement 'I expect my water company to deal with anything I want to pour down the sink or drain or flush down the toilet'.<sup>17</sup>

Participants in our research reflected on some key barriers and enablers for the proper disposal of wipes and sanitary products, as well as fats, oil and grease (FOG). A recurring theme emerged in relation to the need to raise awareness of the damage caused to sewer systems by putting inappropriate items down the toilet or sink. Importantly, campaigns should seek to provide practical alternatives rather than simply stating what not what to do (i.e. pouring down the drain).

On the whole, FOG and the disposal of other 'unflushables' tends to happen in private, which allows these behaviours to escape notice. We recommend considering ways to make the issue of inappropriate disposals more visible, which would help to amplify message of this detrimental behaviour. Some suggestions during the deliberative research included "a 'highly visible alternative' for disposing of FOG, like bottle banks in supermarkets and financial incentives such as "a tax rebate on recycling oils". Doorstep FOG collections were

<sup>&</sup>lt;sup>17</sup> https://consumer.scot/media/vzig1umd/consumers-and-the-transition-to-net-zero.pdf

raised in another study as another effective means of converting the problem from a private to a public issue.<sup>18</sup>

Improved product designs and clearer, consistent product labels are key to improving consumer literacy in this area. Wipes misleadingly labelled as 'flushable' and 'biodegradable' have historically contributed to confusion, and participants in our research were keen to see stricter legislation in place which would prevent manufacturers from incorrectly labelling products as 'flushable'. There was also seen to be a need for wider acceptance and uptake of more environmentally-friendly products to replace wipes.

What people do in their private homes varies substantially. Acknowledging this diversity would help to identify different opportunities for intervention and avoid interventions that are ineffective or are perceived as casting judgment on the behaviours of particular groups (e.g., women, parents, caregivers, and people with disabilities).

# 24.It is already an offence for non-household properties to discharge fats, oils and greases to the sewer.

# -Do you agree that offences should be extended to: include other pollutants, and specifically plastic?

o We need more data on this in order to answer

#### -Extend the offence to household premises?

o No

#### o [Free text box]

As stated in our answer the question above, our research indicates that the incorrect disposal of FOG down drains is currently driven by a lack of awareness among consumers of the correct methods of disposal and of the negative impact of their actions on the wastewater system. With this being the case, we would recommend that efforts are focused on awareness-raising and information-provision, rather than taking a punitive approach.

If the Scottish Government is considering extending the offence to household premises, research and analysis needs to be carried out to understand the full range of issues and support consumers will need to be able to change their behaviour. Statutory impact assessments would also be required to assess the likely impacts of such an offence on different groups of individuals. There may also be structural factors at play. As suggested in our deliberative research, infrequent waste collection in more deprived neighbourhoods may cause people to avoid putting FOG in their bins as this could cause bins to smell.

<sup>&</sup>lt;sup>18</sup> https://www.ccw.org.uk/app/uploads/2023/05/Desktop-review-of-behaviour-change-campaigns.pdf

# 25. We currently undertake some monitoring of pollutants, do you agree that we should extend our monitoring of wastewater to look for new pollutants, and monitor pathogens in the community?

o Agree

26. Do you agree that resource recovery is something that Scottish Water should be undertaking?

o Yes

27.To what extent do you agree that Scottish Water should be able to use the money it receives from customer charges to invest in resource recovery hubs? This could include use of scarce resources and increase recycling of reusable materials that might otherwise be sent to landfill.

o Agree

28. Do you agree that all wastewater treatment systems, regardless of size or ownership, should be tested and inspected to ensure that they do not impact negatively on the environment?

o Yes

29.What support do owners and users of private wastewater systems require to best protect the environment?

Consumer Scotland has recently carried out research to explore the needs of private water supply users (PWS)<sup>19</sup>. For the purposes of this consultation Consumer Scotland has sought to identify where the needs of PWS align with those of private wastewater supply users (PWwS). Whilst we recognise there are key differences between PWS and PWwS, including their respective legislation, regulations and existing support systems, the needs of users are likely to have a high degree of commonality, due to fact they are predominantly households with a lack of professional water and wastewater management expertise.

It is highly likely the 22,829 properties in Scotland with a PWS will also have a PWwS, although there is currently no simple way to identify properties that may be self-managing both their drinking and waste water. Recognising that many homes will have both a PWS and PWwS is important, because where households have both systems, efforts should be made to minimise the management burdens and streamline support.

As stated above, in our research with PWS we found there to be no single, comprehensive source of information and support, as such we made a recommendation that the Scottish Government bring together all aspects of support and advice to provide a central

<sup>&</sup>lt;sup>19</sup> https://consumer.scot/media/v43cues4/advice-support-and-funding-needs-of-private-water-supply-users.pdf

information point. Combining information relating to both PWS and PWwS in the same centralised source would further simplify the information landscape for users.

Extending a central information system for PWS to PWwS would require at least the following for PWwS:

- General information and guidance
- Tailored advice
- Regulatory registration processes
- Online training tools
- Possible wastewater management tools such as risk assessments
- Links to recognised trade professionals
- Guide for connecting to the public wastewater network
- Access to funding support

The extent to which PWwS are being effectively maintained, and as such the extent to which their impact both individually and collectively has on the environment, needs to be better understood. Improving the registration uptake and subsequently the recording of maintenance of PWwS, would provide a better picture. This could enable improved insight into the cause of issues, such as poor maintenance regimes, ineffective systems or unsuitable locations for a PWwS.

In our PWS report we identified that PWS can be negatively impacted by issues out with their control, such as climate change. The extent to which external factors currently impact the effective management of PWwS is less well understood and as such engagement with PWwS users should seek to explore this further. Consideration should be given to extending the use of risk assessments for PWwS to better enable users to understand their system, its maintenance needs and potential environmental impacts.

There is no financial support from the Scottish Government for PWwS, however the costs of upgrading or connecting to the mains wastewater networks, are likely to reflect the issues we identified for PWS users and be prohibitively costly and complex for some. In our research, PWS users clearly expressed a view that the PWS grant is inadequate at providing the necessary support to either maintain or upgrade their PWS to ensure it provides safe and sufficient drinking water. Our recommendation to the Scottish Government was to ask them to review financial support, with a view to delivering a more flexible approach, based on ability to pay and the needs of the PWS.

The principles of that recommendation can also be applied to PWwS, to the extent that the Scottish Government should consider a financial support framework. The current review of PWwS should also consider a strategic and long-term programme of mains wastewater connection and how this should be funded.

<u>30. Do you think that owners of existing private wastewater systems should be required to connect to the public system where connection is possible, beneficial and not expensive?</u>

o We do not hold enough data on this at the moment to provide an answer

#### 31.Do you have any further views on public and private wastewater systems?

Our deliberative research explored consumer views on the management of Combined Sewer Overflows (CSOs) in Scotland. Views on the subject were strongly divided during and following deliberation, with the existence of CSOs causing alarm for some participants who had not been aware of them. Concerns usually focussed on the potential negative environmental impacts of CSOs. However, when more information is presented on how CSOs perform as part of wastewater infrastructure, views were more likely to reflect a more considered view of CSO performance. Whilst views on solutions were often still divided, the function of CSOs was better understood and instead there was a shift in focus towards methods to reduce CSOs.

The divergence in views centred around firstly those who were content with Scotland's current approach to CSO management where monitoring and upgrading is done for sewers identified as priorities. This was seen as cost-effective and a good use of available resource. It was seen as particularly valuable in the context of climate change, where using modelling to identify problematic CSOs (instead of monitoring each one) was viewed as a way to free up additional money to upgrade other parts of the network. There was some apprehension around the idea of following the approach used in England and Wales, which caused participants to question the value of monitoring all CSOs without a guarantee that problematic overflows would actually be dealt with, and whether this approach would be necessary to get positive outcomes.

The alternative view was that a more comprehensive approach to monitoring needed to be taken, despite the additional cost. Some participants were uncomfortable with the existence of any CSOs due to their negative environmental impacts. Linked to this, there was a clear desire for greater transparency and accountability in terms of how the prioritisation of sewers for monitoring is currently decided.

Notably, this was an area where participants in the research expressed scepticism around the facts presented to them by the experts. Media reporting and negative perceptions of the approach taken by English water companies had noticeably influenced the discussions and participants seemed suspicious that the 'true' number of CSOs spills in Scotland was higher than the number presented.

CSOs are a clear source of worry for consumers. We believe this to be an area where education and better communication around what the existing sewer system is designed to do – and the role played by CSOs in alleviating flood risk - will be key. Given the strong scepticism which came through in our research, it would be beneficial to carry out further research around the key messages and delivery format that would help to reassure consumers, while highlighting any ways in which they can play a part – such as avoiding flushing inappropriate items and avoiding paving over of permeable surfaces – in treating the source of the problem.

At the same time, in line with the commitments made in the Scottish Water's 'Improving Urban Waters Routemap'<sup>20</sup> we support efforts being made to provide accurate information concerning sewer network performance to the public, particularly around CSOs which potentially present a risk to the water environment or human health.

<sup>&</sup>lt;sup>20</sup> https://www.scottishwater.co.uk/About-Us/News-and-Views/2021/12/211221-Urban-Waters-Routemap

### **Paying for Services**

# 32. To what extent do you agree that changing our behaviours is essential to limit charge rises?

o Agree

# <u>33. Do you agree that we should recognise that there are three services (water, wastewater and drainage)?</u>

o Yes

#### <u>34.Do you agree that using Council Tax Bands is the fairest way to charge for services used</u> by households?

During our recent deliberative research, most participants held a view that paying for water through rates determined by council tax bands was unfair. However, whilst this was based on a sense of unfairness that water charges are currently determined by where you live, rather than how much water you use, there was not a dominant view in favour of introducing metering for households. Prevailing views expressed were concerns that metering may lead to higher charges for certain groups, such as families or those with disabilities or medical conditions that result in higher water needs.

Any changes put in place by the water sector to tackle the impacts of climate change should take an equitable approach whereby those who would struggle to pay and/or are vulnerable are protected.

More broadly, regarding whether or not council tax bands are the 'fairest' way to charge for water, wastewater and drainage services, the relative advantages and disadvantages of council tax bands as a foundation for the billing of these services has been examined previously, including by the Fraser of Allander Institute<sup>21</sup> and Citizens Advice Scotland<sup>22</sup>.

As outlined in the prior analysis by these organisations, the use of council tax bands represents a pragmatic compromise to attempt to broadly build a fair billing system, in the absence of direct data for specific variables that could allow us to target bills and support more effectively – such as income or usage data.

Broadly, we would expect that policymakers would consider 'ability to pay' or 'income, 'usage', 'efficiency' and 'transparency' to be core aspects of a fair billing system.

By virtue of being an imperfect compromise, there are weaknesses in the ability of the current system to target some of these features directly.

<sup>&</sup>lt;sup>21</sup> <u>https://fraserofallander.org/how-should-we-pay-for-water-and-sewerage-services-in-scotland/</u>

<sup>&</sup>lt;sup>22</sup> https://www.cas.org.uk/publications/charting-new-course-study-developing-affordability-policy-water-and-sewerage-charges

As an example, income is identified in the Citizen's Advice Scotland article as the most accurate indicator of whether or not a household is likely to find water and sewerage charges affordable. However, as outlined by the aforementioned Fraser of Allander analysis, although median incomes rise when ascending through the respective bandings, this relationship masks a significant variance in incomes within these bands. The example provided illustrates this by highlighting that, in 2018, 25% of households in band B had a disposable income of over £500 a week, while 25% of households in band G had a disposable income below £500.

As the core features of the system have broadly persisted since these reports were written, the underlying principles remain relevant. In effect, this means that the current council tax band approach to charging for water services partially achieves fairness principles. At an aggregate level, there is likely to be an overall positive relationship between household use of services and charge - we can assume that higher banded properties will on average use services more than lower banded properties, and on average that single person households will use less than multiple occupancy households. However, at an individual level, the system will create anomalies - within any council tax band there will be pairs of households that face the same water charge but make very different use of the system (and who have very different levels of financial means).

Of course, government may have to consider wider factors when determining the fairness or appropriateness of a charging scheme. While an alternative like the introduction of metering could target a variable like usage more directly, this would require substantive additional investment and increase ongoing infrastructure and maintenance costs to the sector, potentially creating unintended affordability concerns in itself.

The current system is broadly accepted by the public and convenient from an administrative point of view, albeit, the current billing process (via local authorities) also prevents a direct relationship between Scottish Water and consumers. A more direct relationship could be beneficial to Scottish Water communicating some of the adaptation / climate change issues raised in this consultation.

The Scottish Government may also wish to note the ongoing discussion<sup>23</sup> in Northern Ireland regarding the future of water charges there, of which five options have currently been presented for consultation (including a flat charge, a mixture of variable and / or fixed charges based on the capital value of the property, and metering).

In essence, although there are some practical advantages in the current system, it is reasonable to assume that a 'fairer' system could be constructed which more directly relates to ability to pay, usage or both. Fundamentally, the nature of such a system and the need to do so will be driven by the Scottish Government's wider policy priorities within the sector.

Equally, this does not mean that the current system, and particularly the affordability safeguards which support it, cannot be improved. Consumer Scotland are likely to set out

<sup>&</sup>lt;sup>23</sup> Consultation on Water and Sewerage Charges – Options for Revenue Raising

further recommendations on how the Water Charges Reduction Scheme (WCRS) could be enhanced following the publication of our work estimating the affordability of water charges in Scotland in the coming months.

<u>35.In your view, how do we incentivise households/businesses to reduce water usage to levels that are sustainable for Scotland?</u>

Our key recommendations on this point have been answered via question 4 and 7 in this consultation. They include:

- Educating consumers on their water use through investment in consistent communications and campaigns around the value of water and the need to conserve it, while harnessing lessons around successful behavioural interventions within other sectors that are seeking to decarbonise.
- The development of a water efficiency strategy for Scotland, which would set out how the Scottish Government intends to support consumers and businesses to reduce their water use.
- Setting more stringent building standards for water efficiency measures in new build homes, and setting stricter regulation on manufacturers of white goods to ensure products meet water efficiency standards.
- Offering support to advice agencies (such as Home Energy Scotland) that provide integrated advice around water and energy efficiency to help consumers to understand some of the benefits of adopting water efficient behaviours, including lower energy bills
- Pilot studies to explore the likely impact on different consumer groups of a widescale domestic metering roll-out
- For the non-household side, exploring opportunities to embed water efficiency as a key consideration for SMEs through the voluntary Code of Practice and the roll-out of smart metering at scale

We also take the opportunity to reiterate here the important principle that, while individual behaviour change is essential for delivering greater water efficiency, this must be accompanied by structural measures, driven by regulation, that helps to raise water efficiency as a key concern across multiple industries.

<u>36.In your view, how could we incentivise households/businesses to manage rainwater</u> <u>differently to reduce rainwater entering the sewer system to levels that are sustainable for</u> <u>Scotland?</u> Our key recommendations on this point have been answered via questions 16 and 20 of this consultation. They include:

- Improving the guidance offered to consumers around the impact that changes to their outside space – through paving over driveways and use of artificial grass – can have on flood risk and the wider environment. At the same time, increasing the visibility of environmentally friendly rainwater management solutions, such as raingardens and water butts in public spaces,
- Reviewing structural issues, including aspects of planning legislation, that may disincentivise proactive rainwater management at a household level and considering positive financial incentives which could be offered to homeowners or businesses for adopting positive behaviours
- Improving management and oversight over drainage within planned and new developments and ensuring that larger players in the housing sector, including developers and commercial landlords, are sufficiently proactive about sustainable drainage solutions

# 37.To what extent do you agree that all households and businesses should pay for roads to be drained?

As we have reported elsewhere<sup>24</sup>, funding is a frequently cited barrier to BGI. While we agree in principle with the creation of a new funding stream for drainage as a means of unlocking new revenue streams for BGI, this message needs to be clearly communicated to consumers. Consumers are likely to assume they are already paying for road drainage through either their council tax or vehicle excise duty. As such, introduction of a service charge for drainage on bills, without an explanation of the change and transparency as to what the charge will be funding, may cause consumers to think they are paying a 'double tax' on drainage.

In addition, one of the five principles of charges for water services set by Ministers for the period 2021 to 2027 is harmonised charging, meaning that charges should, for similar services provided to customers of a similar category, be the same for each customer in that category regardless of location in Scotland. As this policy proposal is developed further, we would appreciate clarity around how this proposal interacts with the principle of harmonised charging.

Specifically, it would be good to know whether revenue raised through the new drainage stream will be channelled to varying degrees in different areas of Scotland. If certain areas receive higher levels of investment in drainage infrastructure, will this be funded on a regional basis (e.g. will the Local Authority have the power to set the drainage charge)? Or,

 $<sup>^{24}\</sup> https://consumer.scot/publications/overcoming-barriers-to-the-adoption-of-blue-green-infrastructure-html/$ 

alternatively, will funding for specific drainage projects be 'pooled' and then allocated at a national level (so all consumers contribute to new BGI regardless of location).

We also would be interested to know whether the proposal to split the three services of water, wastewater and drainage will be supplemented with efforts to attract other sources of financing for BGI, such as finding ways to mobilise private finance for BGI projects.