Cabinet Secretary for Climate Action and Rural Affairs

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Scottish Government
Riaghaltas na h-Alba

The Convenor
Climate Action Committee
Scottish Parliament

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Dear Convener,

Thank you for your letter of 15 October 2026 regarding water, wastewater and drainage policy.

Scotland faces increasing pressures from climate change, population change, emerging pollutants, ageing infrastructure and more demanding environmental standards. The Scottish Government remains committed to delivering the outcomes identified through the Water, Wastewater and Drainage Policy Consultation in 2023. Following further assessment with sector partners, Ministers have concluded that a significant proportion of these outcomes can be advanced through the existing legislative framework, secondary legislation, regulatory powers, ministerial direction and collaborative delivery arrangements rather than through a new Water Bill at this stage.

This does not represent a change in the outcomes we are seeking to achieve. Rather, further assessment since the consultation has allowed us to distinguish more clearly between those outcomes that can be progressed using existing powers and delivery mechanisms, and those areas where the evidence may ultimately demonstrate that targeted legislative change is required.

I am mindful of the fact that customers pay for over 90% of the costs to deliver our water and wastewater services and in making decisions around how to manage future pressures, I am committed to an evidence driven and costed programme of interventions that balance good outcomes with affordability. Since the 2023 consultation, cost-of-living pressures have become an increasing consideration in the Government's work. Prices remain considerably higher than pre-crisis levels, with household budgets continuing to experience financial pressure from energy, food and housing costs. The introduction of new statutory requirements that increase costs for households or businesses may therefore raise

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affordability concerns, particularly in lower-income communities. The committee will note that cost is a consistent theme in this response.

The Government is developing a strategic programme of work for this Parliament, which will provide a long-term evidence base, planning framework and investment strategy for drinking water, wastewater and drainage services. This programme will evidence where we must target investment to address issues and only revert to mandating action where we are satisfied that it is necessary, that is, where collaborative delivery and existing powers cannot deliver the change we agree is necessary and affordable.

A large part of proposing an overarching Bill was to provide clarity across the various legislative powers we already hold. Some Acts are very old and heavily amended, with powers being located in different places. A Bill could have provided an opportunity to modernise the legislation, but it would come at the expense of progressing actual change. The Government is therefore moving to a stronger delivery focus in this area.

General powers already in place

As a publicly owned delivery model with a single service provider, there are a number of powers Ministers may already deploy to effect change:

- Ministers may direct Scottish Water through Objectives and Governance Directions which are underpinned by the Water Industry (Scotland) Act 2002, as amended.

- In particular, Ministers may inform priorities and investment programmes through the Strategic Review of Charges process. I wrote to the Committee on 23 October 2026 to confirm that Ministers have finalised our objectives for the 2027-2033 regulatory period.

- Ministers may establish national planning, data and evidence programmes by directing collaborative action across Scottish Water and its regulators.

- Ministers may use the existing River Basin Management Planning framework set out in the Water Environment and Water Services (Scotland) Act 2003 to support integrated catchment management with a statutory basis.

- Ministers may use powers in the Flood Risk Management (Scotland) Act 2009 and existing flood-risk management arrangements to improve drainage and surface-water planning.

Whilst we do not think all aspects of the reform consulted on are priorities for a Bill, we do accept that the evidence may necessitate amendments to some legislation where the evidence identifies residual legislative gaps. Being mindful of the costs to customers in mandating action, we will bring forward targeted legislation only where it demonstrably adds value.

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Specifically the benefit of public sector delivery and regulation means that collaboration around shared objectives is a feasible and effective means of making tangible change. Our Public Bodies are all focussed on providing quality and affordable services for our communities. There are no external shareholder concerns to reduce that focus in Scotland.

We have responded to the specific questions you have raised below:

Water Resource Planning

1. **Does the Scottish Government remain committed to establishing an integrated approach to water resource planning across Scotland, as proposed in the consultation?**

2. **Given that the consultation identified the absence of a legal requirement to plan for Scotland's water resources, how does the Scottish Government now intend to establish this approach without primary legislation? Which existing statutory powers does the Scottish Government consider sufficient to implement its proposals for water resource planning?**

3. **How does the Scottish Government intend to integrate its proposed approach to national water resource planning with the existing River Basin Management Planning framework, and does it consider that the existing legislative framework provides sufficient powers to achieve effective integration between these plans?**

The Government remains committed to developing a more integrated approach to water resource planning across Scotland.

Since the consultation, we have considered more closely what can be achieved through the existing legislative and regulatory framework. The Water Environment and Water Services (Scotland) Act 2003 and the River Basin Management Planning framework already provide a statutory mechanism for the protection and improvement of the water environment, while Ministers' existing powers in relation to Scottish Water and SEPA provide mechanisms for strengthening strategic planning, evidence gathering and coordinated action.

SEPA is currently developing Scotland's fourth River Basin Management Plan (RBMP4) and will consult on draft proposals before 22 December 2026. This will include proposals for water resource planning in Scotland.

4. **Does the Scottish Government intend to progress plans for "a national view of catchment risks" to "help better protect drinking water sources from pollutants", and what options are being considered to achieve this?**

The Government is committed to the principle that contaminants should be controlled at source within catchments wherever possible, rather than removed at treatment works.

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Scottish Water, together with partners, is taking forward action in catchments such as Loch Katrine to restore peatland and create new woodland. This is expected to protect the quality and resilience of the water supply in the face of climate change.

The Public Water Supplies (Scotland) Regulations 2014 already require Scottish Water to prepare Risk Assessments for each drinking water catchment which reflects that hazards and hazardous events could affect drinking water quality. These risk assessments are checked by the Drinking Water Quality Regulator for Scotland (DWQR). The DWQR has issued an enforcement notice to improve the quality of these plans.[1]

Using information from risk assessments, Scottish Water must then report to the DWQR on significant risks both for individual catchments and more widely across Scotland. Together with information on risk assessments undertaken by local authorities for Private Water Supplies, this enables the Government, DWQR, SEPA and other public bodies to consider the wider risks arising from land use, pollution sources and climate impacts.

It is right that we use the evidence to first seek collaborative, mutually beneficial action, before legislating.

5. In relation to emerging pollutants of concern, the Scottish Government has previously said that it is considering implications of revised EU Directive 2026/805 including its updated list of water pollutants and revised standards for priority substances, which seek to tackle pollution from PFAS, pesticides and pharmaceuticals. What is the timeframe for this assessment and how will the Scottish Government ensure that environmental protections in Scotland do not fall behind in this area?

Under amendments to the EU water legislation made by Directive 2026/805, Member States are required to include these new substances in their legislation by 21 December 2027 and to take action where needed to ensure that waterbodies achieve the new standards by 2039. Officials are working with SEPA and other stakeholders to understand the number of waterbodies in Scotland where action may be required, the options and feasibility of potential actions, and the resulting impacts on stakeholders.

Drinking Water

6. How does the Scottish Government intend to establish its proposed risk-based regulatory approach to drinking water supplies, and will this require changes to secondary legislation?

I was pleased to note that the high quality of Scotland's public water supplies was maintained during 2025. 99.88% of samples taken at consumer taps met stringent health-based standards. This reflects the sustained investment made by Scottish Water in Scotland's drinking water.

[1] Enforcement Notice 01 December 2025 - Risk Assessment and Reporting

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As noted in my answer to Question 4, existing regulatory structures already provide a strong basis for risk assessment, monitoring and enforcement. Our objectives for the 2027-2033 regulatory period build upon these frameworks requiring Scottish Water to identify and act on risks, whether at source, in treatment works, and in distribution networks before they materialise. This means that where risk assessments identify an investment need, this is prioritised within the investment planning processes overseen by the Water Industry Investment Group. The result of the investment and/or improvements to operational practices ensure that compliance with mandatory standards remains high and are improved wherever possible.

7. What measures does the Scottish Government intend to use to achieve the proposed net reduction in demand for drinking water?

The Scottish Government recognises that water is a precious resource. It also recognises that measures are required to reduce demand. Rates of household demand/consumption are considerably greater than levels seen elsewhere in the UK and Europe. Reducing consumption is an important way to close forecast deficits, but also to accommodate new economic growth.

Scottish Water has reduced leakage by around 60% over the last 20 years. However, despite this progress, leakage accounts for one quarter of all the water produced (453 million litres each day). Of this, over one quarter relates to leakage from plumbing within private properties. Research in preparation for the 2027-33 regulatory period has identified leakage as a customer priority.

Our objectives for the 2027-2033 regulatory period require Scottish Water to reduce leakage and work with its customers to promote water efficiency. Scottish Water's Annual Report 2025/26 states its ambition to reduce leakage on the public network by 10% by 2033. WICS' draft determination challenges it to go further a deliver a reduction of around 15% by 2033. WICS will confirm its position when it finalises its determination on 12 November 2026.

Scottish Water's Climate Change Adaptation Plan 2024 forecasts that the water supply deficit during drought could increase four-fold from 60 to 240 million litres a day by 2050 in extended periods of dry and warm weather. Our published objectives[2] for 2027-33 require Scottish Water to produce a report by April 2028 setting out the extent to which this gap could be closed through: monitoring water use; price controls through customer charging; widespread public awareness campaigns and behaviour change; water efficient appliances; and the location of new economic growth.

The report is also required to set out the cost these options and their impact on customers into the future. The Government will use this information to inform investment and charging policy for subsequent regulatory periods, aimed at closing both current and forecast water supply deficits.

[2] The Scottish Water (Objectives: 2027 to 2033) Directions 2026

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8. Does the Scottish Government intend to change the process for responding to water shortages so that appropriate action can be taken more quickly? If so, what changes are proposed and what legislative or regulatory mechanisms will be used?

We are currently working with Scottish Water to consider how we can work with the provisions in Part 7 of the Water Resources (Scotland) Act 2013 to take action more quickly in the event that a water shortage order for the public supply is needed. The existing legislation allows action to be taken in the event of a serious deficiency of water supplies or a threat of such deficiency. We are exploring how we may be able to transparently evidence any such threat in advance of actual deployment of an order such that we can make the necessary statutory preparations but only deploy the actual order if required.

Again, given the essential nature of water to public health, Scotland's economy and environment, this work requires a clear evidence base to support the use of the water shortage powers.

9. Does the Scottish Government intend to introduce new requirements for the testing and inspection of drinking water supplies regardless of their size or ownership, including private water supplies? If so, how will these requirements be implemented?

Scotland already has legislative requirements relating to the drinking water standards that must be met by Private Water Supplies together with the testing and inspection arrangements. These are designed to reflect the requirements of the EU Drinking Water Directive.

The 2023 consultation sought views on whether all drinking water supplies, regardless of size or ownership, should be subject to testing and inspection requirements. That was deliberately a broad proposition intended to test whether a more consistent level of assurance should apply across Scotland's drinking water supplies.

We need to do more work to understand the need to balance the public-health benefits of more extensive monitoring against the regulatory and financial burden that universal requirements could place on individual supply owners and local authorities. We therefore do not currently propose to introduce a universal new testing and inspection requirement at this time.

We will use improved evidence and the existing regulatory framework to identify where additional or more targeted intervention is required before determining whether further legislative change is necessary.

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Drainage

10. Does the Scottish Government remain committed to enshrining the principles of integrated drainage in legislation, as proposed in the consultation? If so, how will this be achieved without primary legislation?

The Government continues to believe that introducing integrated drainage mapping across Scotland would improve the understanding of how sewerage, surface water, road drainage and watercourses interact, supporting better surface water and flood management.

However, work to date has established that implementation will be challenging due to fragmented data ownership across multiple organisations, inconsistent data quality and gaps in records, particularly for older assets. Significant investment will be required to collect, verify and digitise information, integrate different mapping systems and maintain data over time. Clear governance arrangements would also be needed to determine responsibilities for data provision, quality, maintenance and access. The principal challenges are therefore cost, data quality, coordination and long-term stewardship of the system.

Rather than seeking immediate primary legislation, Ministers intend to strengthen collaborative planning and delivery arrangements using existing powers available to Scottish Ministers, Scottish Water, SEPA and local authorities. These measures will create a practical framework for integrated drainage planning and help identify where formal statutory changes may be required in future.

Furthermore, the Government is seeking to understand the implications of the recast Urban Wastewater Treatment Directive whilst reflecting on the lessons learnt from projects already completed or underway. I discuss this issue further in response to questions 12 and 15.

11. Does the Scottish Government still intend to establish a legislative framework clarifying responsibilities for the collaborative planning and delivery of rainwater drainage infrastructure? If so, how will this be achieved through existing powers?

This Government recognises the role strategic blue-green infrastructure (BGI) can have in transforming how rainwater is managed in our urban areas. BGI can reduce the risk and impact of sewer flooding, reduce overflows, enable growth, promote biodiversity and create green spaces for communities to enjoy.

Scottish Water and Scottish Canals have delivered a project in the Shieldaig Road area of Glasgow which is a good example of this. Flood risk for nearby properties has been reduced by disconnecting surface water entering the combined sewer network. This is now drained to a newly constructed Sustainable Drainage System (SuDS) pond before it is discharged in a more controlled manner into the Forth and Clyde Canal.

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Our objectives for the 2027-2033 regulatory period continue to identify the delivery of BGI to sustainably manage rainwater as a strategic priority for Scottish Water. However, this is not a problem for Scottish Water alone to solve. The objectives require Scottish Water to work with stakeholders (e.g. local authorities) to adopt and encourage an integrated urban catchment management approach which will then clarify roles and responsibilities and governance arrangements in relation to the management of rainwater.

BGI may reduce long-term costs (associated with upsizing sewer networks and treatment works) and improve outcomes for customers, however the upfront capital costs and on-going maintenance costs are significant. Whilst we strongly support the need for greater BGI, we do need a greater understanding of the scale of the issues we face and where those costs should legitimately sit before we create unaffordable obligations on either customers or local authorities.

12. Does the Scottish Government intend to proceed with national drainage network mapping and Rainwater Drainage Network Planning, and will these be statutory requirements? How will this be integrated with river basin management planning?

With climate change bringing more intense storms, it is important to understand how surface water is managed in Scotland's urban areas. Scottish Water and local authorities have already collaborated on collecting data to inform current investments, but clearly this needs to be extended to cover more urban areas and to consider drainage networks more fully.

As I set out above, fragmented data ownership will require significant investment to integrate. We recognise the importance of building this strong evidence base before mandating change.

13. What existing powers will be used to provide better control over connections to drainage networks, as proposed in the consultation?

Scottish Water is a statutory consultee in all planning applications and manages connections on a case-by-case basis making use of those powers.

As noted in the consultation paper, to protect the combined sewer network, Scottish Water's Surface Water Policy does not allow new rainwater drainage connections to be made to it unless there is no alternative. This is entirely consistent with National Planning Framework 4. However, it is also acknowledged that the increase in impermeable surfaces, also known as 'urban creep' (for example the paving of driveways and gardens) for properties that are connected to combined sewer and drainage systems remains a problem. This is because there are few controls over such activities within private premises. Scotland is not unique in this regard. Further work is required to promote the use of permeable and sustainable solutions.

14. What options is the Scottish Government considering progressing to incentivise the expansion of blue-green infrastructure to support better urban

drainage, and to encourage the reduction of impermeable surfaces in the urban environment?

As noted in my response to Question 11, our objectives identify the delivery of BGI as a strategic priority for Scottish Water. The expansion of BGI is also supported by National Planning Framework 4 (NPF4) which requires that development proposals will "manage all rain and surface water through sustainable urban drainage systems (SUDS), which should form part of and integrate with proposed and existing blue green infrastructure." Furthermore, NPF4 requires that development proposals "seek to minimise the area of impermeable surface."

Wastewater and Resource Recovery

15. Does the Scottish Government remain committed to creating the proposed legislative framework for wastewater collection and treatment? If so, how will this be delivered without primary legislation?

We are committed to aligning with the recast Urban Wastewater Treatment Directive where it will bring affordable public health and environmental benefits. The immediate priority is to understand the scale of future pressures, determine the implications of the recast Urban Wastewater Treatment Directive and identify the most effective sequence of investment.

Full alignment with the recast Urban Wastewater Treatment Directive would present significant challenges for Scotland, primarily relating to cost, infrastructure upgrades and delivery capacity. The Directive is wide ranging in lowering the population thresholds at which appropriate treatment is required, tightening standards and requiring advanced treatment to remove micropollutants such as forever chemicals, pharmaceuticals and other contaminants of concern. The deadlines for compliance are staggered with full completion required by 2045.

European countries are reporting concerns about affordability, implementation of producer responsibility schemes and the scale of investment required. For Scotland, this could necessitate substantial expenditure by Scottish Water on treatment works and subsequent operational costs (monitoring, energy and chemicals) potentially increasing pressure on water charges or public spending unless alternative funding mechanisms are developed.

Current estimates suggest that full implementation of the recast Directive could involve investment requirements in excess of £20 billion and it is therefore essential that policy decisions are informed by robust evidence on costs, benefits and affordability. As noted in my introduction, it is imperative that we understand through monitoring the size and nature of the problem that Scotland might face. This ensures that appropriate decisions are taken recognising the costs that consumers and the Government will need to pay. Subject to those considerations, the Scottish Government would need to consider whether revised standards would require primary or could be made by secondary legislation using powers under the UK Withdrawal from the European Union (Continuity) (Scotland) Act 2021.

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16. Which elements of the existing legislative framework does the Scottish Government intend to use or amend to support the modernisation of the sewer network referred to by the Cabinet Secretary?

The Government remains committed to modernising Scotland's wastewater system. This is largely an investment issue. It is worth reflecting on what has already been delivered, the good environmental outcomes Scotland is achieving as a result of this, and what will be delivered in the future.

£3.1 billion has been invested by Scottish Water in the last 10 years in improving and maintaining Scotland's public sewer system and infrastructure. This is contributing to good environmental outcomes. 86% of Scotland's water environment is assessed by SEPA as being high or good quality – up from 82% in 2014. Of Scotland's 90 bathing waters, 97% achieve the minimum required classification of sufficient with 82% achieving "Good" or "Excellent" classifications.

Ministers direct the types of investment to be delivered in the wastewater system during six-year regulatory periods. As you are aware, we have recently finalised our objectives for the 2027-2033 regulatory period. These objectives direct investment in the wastewater system to deliver on river basin management planning objectives, protect designated bathing waters from the impacts of Scottish Water's assets and failures (or risks of failures) to comply with the Urban Waste Water Treatment (Scotland) Regulations 1994. Furthermore, the objectives require Scottish Water to publish data on overflows from all intermittent discharges in its network as soon as possible.

It will be for Scottish Water's independent economic regulator WICS to determine the maximum charges required for Scottish Water to deliver to these objectives at the lowest reasonable overall cost. WICS will publish its final determination on 12 November 2026. WICS' final determination will also set out the outcomes Scottish Water must deliver for customers. These outcome measures underpin the strategic objectives set by Ministers and provide tangibles against which Scottish Water will be held to account for delivery, e.g. number of unsatisfactory intermittent discharges, number of environmental pollution incidents and flooding incidents/risk. The process of establishing these outcome measures has been collaborative with WICS' methodology for the review requiring Scottish Water to engage with stakeholders, regulators and customers, on the targets it proposed in its final business plan.

The objective of the process is to find the most acceptable balance between the costs of services and investment whilst keeping charges affordable for customers.

17. What upgrade requirements are being considered as part of modernisation as a result of the implications of the EU revised Urban Wastewater Treatment Directive, and when does the Scottish Government expect its analysis of these requirements to be completed?

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It is important to recognise that the costs of meeting the Urban Wastewater Treatment (Scotland) Regulations 1994 remain significant. Changing demographics, economic growth and climate change mean that existing infrastructure must be continually maintained and upgraded.

As part of its recent business planning work, Scottish Water has considered the requirements for investment in our wastewater infrastructure to meet the current regulatory requirements. The draft determination made by WICS has provisionally allowed for at least £2.8 billion (2024-25 prices) of investment in this area over the period 2027 to 2033..

It is also worth considering the backdrop to the recast Directive and in particular Europe's poor compliance with the Water Framework Directive (WFD). The EU took the view, that to protect the water environment, significant improvements were required to the treatment of urban wastewater. Compliance rates with the WFD in the EU are considerably poorer than in Scotland with less than 40% for ecological status for surface waters. This compares with 65% for Scotland.

Despite the material differences in compliance with WFD, Scottish Water has considered, in general terms, what investment might be required to meet the standards set out in the EU's recast Directive. It has considered the impacts of: lowering the threshold of qualifying populations for more stringent treatment; tightening standards for existing populations; and micropollutant removal. As noted above, the costs are estimated at around £20 billion. These exclude the additional costs associated with practical issues such as land availability at current sites, the configuration of existing wastewater treatment works, upgrades to sewer networks or the costs of sludge management, processing and disposal.

The costs of alignment are therefore significant. The EU plans to mitigate the costs of micropollutant removal, in particular, through an Extended Producer Responsibility requirement on Cosmetic and Pharmaceutical companies. It expects to raise 80% of the costs. I have addressed this further in response to Question 23.

We are developing a roadmap for alignment which will identify the costs of each of the stages of the work from data gathering and mapping through to investment. We will use that evidence to look at where costs can be targeted to have maximum value and can be phased in a way that is affordable for customers. We will also engage with our UK counterparts to examine what measures can implemented at a UK level to drive better source control of micropollutants in particular.

18. Does the Scottish Government intend to introduce additional testing, inspection or regulatory requirements for private wastewater treatment systems? If so, how will these be implemented?

Private wastewater treatment systems are already regulated under the Environmental Authorisations (Scotland) Regulations 2018. Owners of private septic tanks are required to register these with SEPA. As part of this, owners of private wastewater systems are required to ensure they are maintained to the appropriate standard.

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Where private wastewater systems are found to impact on the environment, including protected areas like bathing waters and shellfish waters, SEPA take action such as inspections and enforcement action to deliver improvements.

The Scottish Government has no current plans to increase additional testing, inspection or regulatory requirements. However, SEPA's consultation on Safeguarding the Water Environment noted the importance of improving our understanding of the impacts of private wastewater systems on the environment. SEPA is also currently developing Scotland's fourth River Basin Management Plan (RBMP4), which will set out our understanding of pressures on the water environment and we will consider how to improve our understanding of the impacts of private wastewater systems before determining if there is a need for changes to the regulatory regime.

19. Does the Scottish Government remain committed to enabling Scottish Water to undertake resource recovery and to fund this through customer charges?

Resource recovery continues to be viewed as an important opportunity for improving long-term value from wastewater services and will be considered as part of future delivery and financing arrangements. We have used our objectives for the 2027-2033 regulatory period to make it clear that Scottish Water should continue to assess the potential for this and it can fund this work through customer charges.

Scottish Water Horizons has already helped deliver a number of projects which recover the thermal energy present in our wastewater and convert it to low-carbon heat, displacing fossil fuels and reducing carbon emissions. These projects have been delivered in conjunction with Local Authorities, Universities/Colleges and Clyde Gateway. Funding has come from multiple sources including grants from the Scottish Government, capital provided by Scottish Water Horizons, private equity and matched funding from Local Authorities, Universities/Colleges and Clyde Gateway.

Scottish Water, and water industry more widely, continues to support research to look for ways to recover valuable resources from wastewater. This includes heat from sewers, biogas, nutrient and energy recovery.

Paying for Services

20. Does the Scottish Government still intend to recognise water, wastewater and rainwater drainage as three separate services, as proposed in the consultation? If so, how will this be implemented?

The Government continues to recognise the important distinction between the provision of drinking water, the collection and treatment of wastewater, and the management of rainwater. The 2023 consultation explored whether that distinction should be reflected more explicitly in the way in which services are defined and their costs presented to customers.

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There are already elements of this distinction within the current charging framework. For non-household customers, separate charges apply for water, wastewater and drainage services. For households, however, wastewater and drainage remain combined within the sewerage charge.

Since the 2023 consultation, the Scottish Government has been focused with industry partners Scottish Water and WICS on preparing for the upcoming regulatory period 2027-2033. This process – the Strategic Review of Charges – involves Ministers setting out their Principles of Charging and Ministerial Objectives which set the parameters for the industry over the period and contribute towards WICS determining the maximum charges over the period.

Ministers consulted on draft Principles of Charging in January 2026 and confirmed the final Principles in October ahead of the first charges applying from April 2027. I wrote to the Committee when the consultation was published and when the final versions were published.

The Principles of Charging for 2027-2033 continue the existing charging approach, whereby households are charged according to council tax bands. This model shares all of the costs of the services across Council tax Bands whilst providing significant protections for those on low incomes. In the January 2026 consultation on the draft principles, the Scottish Government recognised that the proposals for local government and council tax reform mean this approach needs to be reassessed.

The Government intends to review household charging policy during the regulatory period, and that work will provide an opportunity to consider whether greater separation or transparency of drainage costs would improve incentives, accountability and customers' understanding of how their charges are used. In doing so we are mindful that we must balance the potential benefits against the benefits of the current cost sharing model.

21. Following the consultation responses, does the Scottish Government intend to reform household water and wastewater charges currently linked to Council Tax bands and will this be considered alongside proposals for local governance reform?

As set out above. The Scottish Government is considering how to review household charging policy over the course of the upcoming regulatory period. Given the complexity and universality of water charging, evidence-based policy options will be needed to inform any decisions. In particular, our current model seeks to share costs amongst households affording protections to those on low incomes. There are clearly cost distribution impacts in any such system, and we need to carefully assess how those cost impacts may change across the demographic and ability to pay with any alternative approach.

22. Does the Scottish Government intend to introduce financial incentives or changes to charging arrangements to encourage households and businesses to reduce water consumption or prevent rainwater entering the sewer network?

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As noted above, the charging policies for the 2027-33 are now confirmed. It is worth noting that the Principles of Charging ask that Scottish Water and WICS review the structure of wholesale tariffs for non-household customers. This is with a view to simplifying the tariff structure to provide a clear price signal for water efficiency from non-household customers. Where businesses disconnect their property drainage from sewers, they can discuss a reduction in their drainage charges with Scottish Water.

As mentioned in response to the previous question, the Scottish Government is considering reviewing the household charging approach over the course of the upcoming regulatory period 2027-33.

23. The revised Urban Wastewater Treatment Directive seeks to embed the polluter pays principle by linking the financing of water treatment, via extended producer responsibility (EPR), to the sectors responsible for the pollution. Is the Scottish Government considering the option of introducing EPR for wastewater treatment?

While article 9(1) of the Urban Wastewater Treatment requires EU Member States to introduce measures by the end of 2028 for an Extended Producer Responsibility Scheme to recover 80% of treatment costs associated with the removal of micropollutants listed in the Directive from producers, this provision is subject to legal action before the European Court of Justice both by Poland and by the Irish Pharmaceutical Healthcare Association and Medicines for Ireland. The producers concerned are most likely to be chemical, pharmaceutical and cosmetic industries. An Opinion by the Advocate General in September 2026 recommended to the Court that it should annul the financing provisions in article 9(1)(a) of the Directive on the basis that the EU failed adequately to substantiate the scientific basis for selecting those industries to pay 80% of the costs. The Scottish Government will continue to monitor the legal action ahead of the deadline as it is sensible to have clarity on EU requirements when the Court of Justice issues its decision before considering how we should apply them in Scotland.

In common with other extended producer responsibility schemes, Scotland would need to consider such measures with other nations of the UK reflecting that these products can be produced and traded anywhere within the UK. We will continue to engage with our counterparts across the UK.

Summary

The Government's position is not that legislation is unnecessary; it is that legislation is not the only way to deliver change and that legislation is not the current critical path activity. The immediate constraint is not the absence of powers but the absence of a full understanding of the evidence from which to make long-term policy, investment and funding decisions that are affordable.

Our primary focus is to fill that gap and allow future investment to be well targeted and any new legislative requirements to be identified on the basis of evidence. In doing so we will

maximise the collaboration that is already in place across our public model of delivery and regulation.

Yours sincerely,



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