



CVS Rochdale **Policy Briefing**

“Charges for surface water drainage” – RAIN TAX

Changes have been introduced for the way water companies charge non-domestic customers for the disposal of rainwater. In the past charges for the removal of rainwater were based on the pre-council tax rateable value of properties. This meant that many charitable or not for profit organisations have paid very low surface water charges.

In 2003 the Water Services Regulation Authority (OFWAT) decided that this exemption should end and has given the Water Companies until 2010 to start charging all non domestic customers for the disposal of water from their properties through public sewers in England. These costs are labelled on water bills as surface area costs, sewage costs, or grey water disposal costs.

The changes to water charging are affecting all not for profit organisations that own or lease buildings and are showing a significant increase in costs, for which many organisations have not budgeted.

Campaigns to stop the charges

The Church of England, the Scout Association, Football Association, Lawn Tennis Association and Rugby Football Union have all be involved in campaigning to stop these new charges. CVS Rochdale through the sector’s Open Forum have also taken part in this campaign.

The Water Companies Views

In January 2009 the Scout Association wrote to all of the 10 water companies serving English regions to ask if in principle they would offer an exemption for community use buildings. Although there are variations in the water company’s responses, it would appear the charges are being levied directly due to the actions of OFWAT through license agreements, removing any flexibility from the water companies.

In February 2009 United Utilities, the water company for the North West of England, decided to freeze bills so that groups would not see any further increase until a longer term solution could be agreed for the cost of surface water drainage. Since then United Utilities have secured agreement from OFWAT to revert back to charging on rateable values for voluntary and community sector buildings for the financial year 2009/2010

OFWAT's Response

OFWAT sent the Scout Association a copy of their correspondence with MPs that sets out their reasons for proposing these changes to how water is charged. OFWAT suggested that not for profit organisations should reduce the amount of surface water that drains into the sewers. Many not for profit organisations are keen to improve the environmental impact of their building however this has costs or space implications.

Fair Charges for Not for Profit Organisations

The Scout association believe that as water companies are already allowed to offer a "social tariff" or "vulnerable customer tariff" for those on low incomes or at risk of not being to pay for water that this sets a precedent for tariffs that recognise the impact of high charges on not for profit organisations. In September 2009 Hilary Ben announced that the government was to introduce a law to introduce social tariffs, the Floods and Water Bill is currently being drafted.

Appealing against increased payment

If your organisation used to pay low water charges, because it paid/pays reduced rates then you can appeal directly to United Utilities. You can contact them through their website: www.unitedutilities.com. If they claim that the changes only apply to churches, scouts and sports clubs this is not true and we would like to know about any problems you have had, please e-mail m.ling@cvsr.org.uk.