

SURFACE WATER AND HIGHWAY DRAINAGE CHARGES FOR 2008/9 BY UNITED UTILITIES

POSITION AT MARCH 2008

Background

From April 2008 United Utilities (UU) are extending charges for surface water and highways drainage to places of worship as non-household customers. Previously no charges were levied. Charges are being phased in over three years, a third at a time.

The new charges are based on total site area (sq m).

Initially charges are only being applied to church premises with water meters. Therefore many parishes and churches are not yet affected by the introduction of the new charges. However UU intend to extend the charges to all in due course. Within the geographical area covered by the Diocese currently only UU are implementing the charges but OFWAT are encouraging all water companies to introduce such charges.

Response at Diocesan and National Level

We have challenged and are continuing to challenge UU on the fairness and scale of the new charges. UU currently still claim that the basis of the charging is fair, that they have the right to set charges in this way, and that they are unable to treat charitable organisations and churches differently from any other non-domestic customer. We have offered to meet UU at diocesan level to find a way of dealing with the issue to save administrative effort both on the part of parishes and of UU itself. They have so far not accepted this as a way forward and we are now escalating matters through their complaints procedures.

We have raised the issue at national level, particularly with the Churches Main Committee, which acts among other things as a lobbying group. Other dioceses are also beginning to respond to the problem as the charges hit their own parishes. We are liaising with the Dioceses of Chester and Manchester, who are affected by UU in the same way as we are.

Recommended Response by Parishes

Given the current inflexibility and lack of a positive response from UU, we recommend parishes challenge UU's calculations of total site area in order to minimise the level of charges next year. In practice we are aware that a number of parishes have already done so. In challenging the calculations, we suggest you should adopt the following approach:

- (i) The new drainage charges should only apply where a water meter is installed. In UU's implementation of the new charges UU have tended to treat church sites as one entity, as they have generally worked from Ordnance Survey maps. Where, as can often be the case, a church and church hall are in separate legal ownership with separate water supplies, they have accepted that the charges should only apply to that part of the site which has a water meter installed. Therefore in one case only the church hall is being covered by the new charges, while UU are excluding the church and churchyard.
- (ii) All vicarages and rectories and their grounds should be excluded from the total site area as they are treated as domestic customers.
- (iii) Permeable areas are meant to be excluded from the total site area. On this basis it is reasonable to argue that most of the churchyard/burial ground should be taken out of the calculation of total site area.
- (iv) If the church premises have their own soak away system, as will commonly be the case, or other arrangements that one could argue would avoid discharge into the UU drains, this can be argued as a basis for abating the charges.

Please note that UU appear to be arguing that 50% of the charges relate to highway drainage and that agreed abatements of the total site area for permeable areas, etc. only apply to the surface water element of the charges. The reasonableness of this approach will be challenged.

The Diocese will continue to pursue the issue both locally and nationally in conjunction with other dioceses. It would be sensible for you to alert your local MP and others to the current problems and to compare notes with other local charitable organisations and churches, who are likely to be facing the same situation.

March 2008