

CLAS CIRCULAR
2009/11 (16 July 2009)

WATER

Lobby of Parliament

The St Swithun's Day lobby of Parliament organised by the Scout Association duly took place. The Churches were represented by the Bishop of Southwell & Nottingham as Chairman of CLAS. The lobby was addressed by the responsible Minister, Huw Irranca-Davies, and by the Chairman of Ofwat, Philip Fletcher.

At the meeting Irranca-Davies admitted that the introduction of the new charging system for surface-water drainage in the North-West of England had gone 'badly, badly wrong'. Speaking to the media afterwards, he said: 'I promised the Cubs and Scouts I met today that this will be fixed. We're waiting for proposals from United Utilities and Ofwat in the next couple of weeks on what they're going to do. If those proposals are not fair and reasonable then I want to make it absolutely clear that I can and will fix this myself.'

On the previous day Irranca-Davies had said this to the *Water '09* Conference:

We all agree that something is clearly wrong if Scout groups, churches and community organisations face huge hikes in their water bills. I look forward to an update from Cub Scouts from around the country about the impact that high water bills are having on their local pack. They have been consistent campaigners in helping us to make sure water companies have a fair charging scheme.

As we have repeatedly made clear, some companies have been charging people in a way that doesn't meet the guidance and is not fair and equitable. Following meetings with ministers, United Utilities placed a year-long moratorium on these charges. And I could not be more clear that Ofwat and water companies must resolve the issue.

We expect to see proposals from United Utilities very soon on how they plan to tackle the problem in the longer term. If I don't think these proposals - or the proposals of any other water company currently charging in a similar way - are fair or equitable, as our current guidance specifies it must be, I want to make very clear that I will take further action. The quickest way to do this would be through specific guidance dealing with this problem. The alternative – legislation – would clearly take longer. And I'm determined the Scouts and other organisations are not met with huge bills this year or next so I hope that water companies will come up an acceptable solution without the need for anything else.

Any group or organisation who feels that their bill is wrong should contact Ofwat who have agreed to take it up with the water company on their behalf.

[Sources: Defra News Release – 14 July 2009: CLAS]

CLAS CIRCULAR
2009/12 (23 July 2009)

ODDS & ENDS

Alcohol sales and licensing reform

The [Legislative Reform \(Supervision of Alcohol Sales in Church and Village Halls &c.\) Order 2009](#) will come into force on **29 July 2009**.

The Order amends the Licensing Act 2003. Its effect is to allow licensing authorities in some circumstances to include an alternative licence condition relating to the supervision of alcohol sales in premises licences for 'community premises' (defined as any church or chapel hall or other similar building, or any village, parish or community hall or other similar building).

As mentioned in previous Circulars, at the moment alcohol can only be supplied where there is a designated premises supervisor (DPS). If there is no DPS specified in the licence, or if the DPS does not hold a personal licence under Part 6 of the Act, then the supply of alcohol is not permitted. The amendments allow a committee or board of individuals responsible for managing community premises to apply for permission to authorise the supply of alcohol under the licence themselves, instead of having to employ or nominate a DPS.

[Source: *OPSI website* – 21 July 2009]

WATER

House of Commons EFRA Committee report

The House of Commons Environment, Food and Rural Affairs Committee has published its Report on the [Ofwat Price Review 2009](#) – in which it kicks Ofwat fairly hard. Following is the relevant part of the Report: the bold type is the Committee's, not ours.

Surface water drainage charging

90. We received evidence from a number of not-for-profit organisations, including sports organisations, church groups and the Scouts, about the increases in water bills associated with changes to the method of charging for surface water drainage. Previously, these charges were calculated on the basis of rateable value but several water companies have now introduced charging on the basis of the area drained. In some cases this change has led to large increases in water bills, particularly for organisations whose premises have a negligible rateable value. For example, the Scouting Association told us that the change had already increased some Scout Groups' bills by £600 'which could translate to £1.5 million for the movement as a whole'. While Ofwat had suggested ameliorating measures could be introduced, including soak-aways, the Scout Association said that for many groups the 'cost of putting in such a system and the space needed was prohibitive'. It considered that some water companies had acted counter to Defra's social and environmental guidance that required it to ensure a 'strong, healthy and just society'. The Churches' Legislation Advisory Service said they disagreed with 'Ofwat's basic position on charging' since charging all non-domestic customers in the same way transfers the burden from commercial organisations, which can pass on costs via their prices, to not-for-profit organisations which 'do not have that option'.

91. Organisations, such as the Rugby Football Union, told us that the change to site area charging came as a result of a direct edict from Ofwat to the water companies. It said that correspondence with United Utilities had 'finally' led to a suspension of the increases 'pending further review into the new charging system'. Severn Trent Water told us that it was 'reluctantly' increasing charges at Ofwat's request, but said the changes needed to be planned out sensibly and introduced 'over a long period of time'. Thames Water said it had no plans to move to such a charging system under this price review period since the ability for customers to mitigate the cost by providing, for example, sustainable drainage systems, was limited by London's geology. Yorkshire Water told us that it was operating within Ofwat guidelines but was able to minimise the impact—citing, for example, its £75 charge for a Scout hut with less than 750 square metres of roof space.

92. Ofwat described the criticisms as being due to one company failing to implement a change in charging policy in a proportionate way and that other companies introduced the system without complaint.

93. The Minister told us that Defra's social and environmental guidance 'allows for the flexibility to put forward a sensitive and sympathetic way of charging'. He added that 'where you have a load on a system through surface water run-off into a system, people should be expected in one way or another to contribute, but there is an issue of proportionality and fairness within this'.

94. The Minister agreed that it was not acceptable for Ofwat to pass responsibility to the water companies or claim it had no legal powers to correct the situation. He added that the guidance made it 'absolutely clear that there is the ability to have some discretion here within the regime that will allow the concerns of those groups to be properly addressed'. In his view 'this is eminently fixable and I hope imminently fixable'.

95. The level of anger surrounding this issue illustrates the importance of companies having sufficient information about their customers and taking account of their needs when implementing changes in charging policy. This will be something companies need to take more account of in future as changes to implement recommendations made by the Cave and Walker reviews will need to be clearly explained to consumers and their implementation undertaken carefully.

96. We consider that Ofwat should have intervened earlier and harder on this issue. It is not sufficient for the regulator to lay the blame with a company for poor communication while not attempting to help clarify action that water companies needed to take.

97. Ofwat must now develop a clear protocol to guide all water companies to ensure that a fair and affordable charging regime can be introduced throughout England which properly reflects community based organisations' ability to pay for water services.

[Source: *House of Commons EFRA Committee* – 22 July 2009]