

North of Scotland Water Authority - Proposed Charges 1998/99

Report By The Director of Finance

Abstract

The purpose of this report is to apprise the Committee of the North of Scotland Water Authority (NOSWA) proposed 1998/99 Water and Sewerage charges for the Tayside area (including Angus).

1. RECOMMENDATION

The Committee is asked to homologate the actions of the Director of Law & Administration in terms of the representations made by the Director, on behalf of Angus Council, to the Scottish Water and Sewerage Customers Council in respect of the proposed 1998/99 NOSWA Water and Sewerage Charges for the Angus area.

2. INTRODUCTION

The North of Scotland Water Authority, in common with the other Scottish Water Authorities, still maintains different charges for the old Regional Council areas within its geographical boundaries.

The annual Water and Sewerage Charges set by the Scottish Water Authorities must be approved, with or without modification, by the Scottish Water and Sewerage Customers' Council. The Committee are advised that a letter of representation has been sent by the Director of Law & Administration (copy attached) to the Scottish Water and Sewerage Customers' Council outlining the Council's concerns on the proposed charge increases and in particular the effect this will have on those customers in receipt of Council Tax benefit.

3. PROPOSED CHARGES 1998/99

As stated above, the North of Scotland Water Authority still maintains different charges for the old Regional Council areas within its geographical boundaries. However, in a move to try to harmonise the Water and Sewerage Charges within the North of Scotland Water Authority area, NOSWA proposes to increase the 1998/99 Water and Sewerage Charges in the Tayside area at a percentage level greater than in other regions.

The relevant proposed Water and Sewerage Charges for 1998/99 in Tayside and, accordingly, Angus are as follows :

<u>DOMESTIC</u>	<u>1997/98</u>	<u>1998/99</u>	<u>Increase</u>
Domestic Water Charge (Band D)	£84.50	£98.00	16.0%
Domestic Sewerage Charge (Band D) (Net of Transitional Relief)	£29.26	£59.15	102.2%
TOTAL DOMESTIC CHARGE	£113.76	£157.15	38.1%
<u>NON - DOMESTIC</u>	<u>Pence</u>	<u>Pence</u>	<u>Increase</u>
Non - Domestic Water Rate	3.85	4.47	16.1%
Non - Domestic Sewerage Rate	4.76	5.26	10.5%
Metered Water Charge (per cubic metre)	51.04	59.21	16.0%

3. PROPOSED CHARGES 1998/99 (continued)

It is apparent from the above that the most significant increases proposed by the North of Scotland Water Authority are in respect of the Domestic Water and Sewerage Charges where a 38% increase has been proposed. It must be stressed that the increase would apply to all Council Tax payers within the Angus area, as Council Tax benefit does not apply to the Domestic Water and Sewerage Charges. Accordingly, the residents of Angus who currently receive 100% relief of their Council Tax through the Council Tax Benefit system will face an additional annual charge of £43.39 (Band D) due to the proposed increase in the Domestic Water and Sewerage Charges. An element of this increase is due to the fact that Domestic Sewerage Transitional Relief is being reduced between 1997/98 and 1998/99.

The North of Scotland Water Authority's Domestic Water and Sewerage Charges are billed and collected along with the Council's own Council Tax. There is no doubt that if the proposed levels of increases in these charges was to be approved it could have a significant effect on the Council's overall collection and recovery, due to the difficulty that may be experienced in collecting these amounts, particularly from those customers less able to pay such as those who are in receipt of 100% Council Tax benefit. A summary of the proposed 1998/99 Water and Sewerage Charges within the Angus area for each of the individual Council Tax bands is enclosed at Appendix A.

A summary of the proposed 1998/99 Water and Sewerage Charges for all areas within Scotland is enclosed at Appendix B for the Committee's information.

4. SCOTTISH WATER AND SEWERAGE CUSTOMERS COUNCIL - RESPONSE

The Committee are advised that a response to Angus Council's letter of representation has been received from the Director of the Scottish Water and Sewerage Customers Council (copy attached) advising that in view of the fact that the Customers Council and NOSWA have been unable to reach agreement the matter has been referred to the Secretary of State for consideration.

5. CONSULTATION

The Chief Executive and Director of Law & Administration have been consulted in the preparation of this report.

6. CONCLUSION

In light of the proposed significant increase in the NOSWA Domestic Water and Sewerage Charges in 1998/99 and their likely effect both on the more vulnerable members of the community, and on the Council's collection levels, the Director of Law & Administration has made representations to the Scottish Water and Sewerage Customers Council on behalf of Angus Council.

David S Sawers
Director of Finance

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

CAC/IHW/CMU

23 January 1998

The Chief Executive
Scottish Water and Sewerage
Customers' Council
Ochil House
Sprinkerse Business Park
STIRLING
FK7 7XE

Dear Dr Nash

PROPOSED CHARGES 1998/99

I have been asked to write to you on behalf of Angus Council to express its opposition to the North of Scotland Water Authority's proposals to harmonise water and sewerage charges within its area by disproportionately increasing these charges within the Tayside area.

The proposed level of increase for domestic users (38.1%), in particular, is seen as being excessive since it will apply in full to people in receipt of benefit, whilst the level of increase in non-domestic charges, which is above the rate of inflation, is likely to have a significant effect on some existing businesses and on the attractiveness of Angus for the establishment of new businesses.

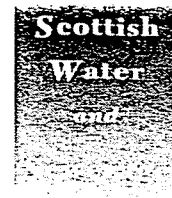
Despite covering a largely rural area, the efficiency of the former Tayside Regional Council's Water Services Department meant that its water and sewerage charges were amongst the lowest in the Country. It now appears that the people of Angus are to be penalised for this efficiency by being forced to bear an increase in charges of a greater level than elsewhere.

This Council urges your Council to support its opposition to the increases proposed by the North of Scotland Water Authority as they apply to the Tayside area.

Yours sincerely

Catherine A Coull
Director of Law & Administration

Chairman: Dick Douglas
Director: Vicki Nash

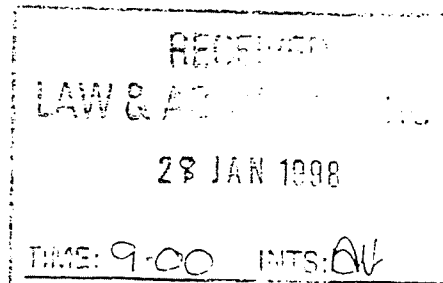


Your Ref:
Our Ref: CAC/IHW/CMU
2701vn12/CHA10

Date: 27 January 1998

CUSTOMERS
COUNCIL

Miss C A Coull
Director
Angus Council
Law & Administration
St James House
St James Road
Forfar DD8 2ZE



Dear Miss Coull

PROPOSED CHARGES 1998/99

Thank you for your letter of 23 January. At their meeting on 23 January, the Council resolved that, having been unable to obtain the agreement of North of Scotland Water Authority, East of Scotland Water and West of Scotland Water to the substantive modifications which the Council was seeking to make to the Authorities' draft 1998/99 Charges Schemes under Section 76(4)(a)(ii) of the Local Government etc. (Scotland) Act 1994, that, in accordance with Section 76(4)(b) of the Act, the draft Charges Schemes for 1998/99 as submitted by the three Authorities (with the minor modifications which have been agreed between the Council and the Authorities) be sent to the Secretary of State for his consideration.

In due course, I will be sending to your Chief Executive, copy of the report outlining the Council's position on the draft Charges Scheme submitted by North of Scotland Water Authority, which has now been sent to the Secretary of State.

Yours sincerely

A handwritten signature in black ink, appearing to read "Vicki Nash".

DR VICKI NASH
Director

**PROPOSED DOMESTIC WATER AND SEWERAGE CHARGES 1998/99
(ANGUS AREA)**

<u>Council Tax Band</u>	<u>Domestic Water & Sewerage Charge</u> 1997/98 £	<u>Domestic Water & Sewerage Charge</u> 1998/99 £	<u>% Increase</u>
A	75.84	104.77	38.1
B	88.48	122.23	38.1
C	101.12	139.69	38.1
D	113.76	157.15	38.1
E	139.04	192.07	38.1
F	164.32	226.99	38.1
G	189.60	261.92	38.1
H	227.52	314.30	38.1

Note

The above figures are net of Domestic Sewerage Transitional Relief.

PRIMARY CHARGES SUMMARY 1998/99

WATER AUTHORITIES	Domestic Water (Unmetered) Band D				Domestic Sewerage Band D				Non-Domestic Water				
	97-98	98-99	Change	Gross 98-99	Relief 98-99	Net 98-99	Gross Change	Net Change	97-98	98-99	Change	98-99	
	f	f	%		f	f	%	%	p/ERV	p/ERV	%		
NORTH													
Layside	84.50	98.00	15.98	80.00	20.05	59.15	14.29	102.15	3.85	4.47	16.10	4.47	16.10
Grampian	99.00	110.00	11.11	80.00	20.85	59.15	14.29	102.15	5.33	5.92	11.07	5.92	11.07
Highland	99.00	110.00	11.11	80.00	20.85	59.15	14.29	102.15	11.27	10.43	-7.45	10.43	-7.45
Western Isles	111.00	110.00	-0.90	80.00	20.85	59.15	14.29	102.15	24.95	10.43	58.20	10.43	58.20
Orkney	111.00	110.00	-0.90	80.00	20.85	59.15	14.29	102.15	9.07	9.07	0.00	9.07	0.00
Shetland	111.00	110.00	-0.90	80.00	20.85	59.15	14.29	102.15	10.43	10.43	0.00	10.43	0.00
EAST													
Borders	96.00	104.00	8.33	69.70	17.22	52.48	12.24	95.89	6.26	6.26	0.00	6.26	0.00
Forth Valley	54.00	75.50	39.81	69.70	17.22	52.48	12.24	95.89	2.33	3.35	43.78	3.35	43.78
Fife	75.00	93.50	24.67	69.70	17.22	52.48	12.24	95.89	5.58	5.89	5.56	5.89	5.56
Edinburgh and Lothians	96.00	104.00	8.33	69.70	17.22	52.48	12.24	95.89	5.50	5.50	0.00	5.50	0.00
North Lanarkshire and													
East Dumbartonshire	95.40	103.03	8.00	68.13	17.55	50.58	16.85	119.63	4.65	5.03	7.94	5.03	7.94
Kinross	84.50	98.00	15.98	69.70	17.22	52.48	12.24	85.89	3.85	4.47	16.10	4.47	16.10
WEST													
Dumfries and Galloway	95.40	103.03	8.00	68.13	17.65	50.58	16.85	119.63	4.65	5.03	7.94	5.03	7.94
Strathclyde (LARGE USER)	95.40	103.03	8.00	68.13	17.65	50.58	16.85	119.63	4.65	5.03	7.94	5.03	7.94

WATER AUTHORITIES	Non-Domestic Sewerage				Metered Water				Domestic Band D W&S Bill				
	97-98	98-99	Change	97-98	98-99	Change	97-98	98-99	Change	97-98	98-99	Change	
	p/ERV	p/ERV	%		p/m ³	p/m ³	%	f	f		%	f	f
NORTH													
Layside	4.76	5.26	10.50	51.04	59.21	16.01	113.76	157.15	30.14	113.76	157.15	30.14	
Grampian	4.54	5.26	15.86	58.07	54.41	10.92	128.26	169.15	31.88	128.26	169.15	31.88	
Highland	7.56	7.25	-4.10	54.73	61.30	12.00	128.26	169.15	31.88	128.26	169.15	31.88	
Western Isles	7.25	7.25	0.00	85.07	64.41	-24.29	140.26	169.15	20.50	140.26	169.15	20.50	
Orkney	10.21	8.62	-15.57	73.72	64.41	-12.63	140.26	169.15	20.50	140.26	169.15	20.50	
Shetland	8.52	8.82	0.00	65.90	54.41	-2.26	140.26	169.15	20.50	140.26	169.15	20.50	
EAST													
Borders	6.30	4.19	-33.49	62.80	62.80	0.00	122.79	156.48	27.44	122.79	156.48	27.44	
Forth Valley	4.10	4.19	2.20	33.20	45.30	36.45	80.79	127.98	58.41	80.79	127.98	58.41	
Fife	3.40	4.19	23.24	32.00	45.30	41.56	101.78	145.98	43.41	101.78	145.98	43.41	
Edinburgh and Lothians	3.14	4.19	33.44	44.70	51.60	15.44	122.79	156.48	27.44	122.79	156.48	27.44	
North Lanarkshire and													
East Dumbartonshire	5.41	5.49	1.48	33.20	45.30	36.45	118.43	153.51	29.71	118.43	153.51	29.71	
Kinross	4.75	5.28	10.50	32.00	45.30	41.55	111.29	150.48	35.21	111.29	150.48	35.21	
WEST													
Dumfries and Galloway	5.41	5.49	1.48	42.93	46.36	7.99	118.43	153.61	29.71	118.43	153.61	29.71	
Strathclyde (LARGE USER)	5.41	5.49	1.48	42.93	46.35	-7.99	118.43	153.61	29.71	118.43	153.61	29.71	