

CAIRNGORMS NATIONAL PARK AUTHORITY

Title: CONSULTATION RESPONSE TO PAYING FOR WATER SERVICES 2006-2014 - A CONSULTATION ON THE PRINCIPLES OF CHARGING FOR WATER SERVICES

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Purpose

The aim of this document is to seek the Board's approval on the proposed response to the consultation on the Principles of Charging for Water Services prior to 12th October 04.

Recommendations

That the Board:

- approves the paper and it will then be forwarded to the Scottish Executive before the 12th October 04.

Executive Summary

The Cairngorms National Park Authority would like to see:

- Increased investment to Communities Scotland towards Housing Associations to expand the system where this is not available
- A fair charging system which is affordable for all clients whoever and wherever they are
- Take a more focussed partnership approach on deciding priorities.
- Innovation in terms of water conservation and developing houses in the countryside which will be less dependent on mains infrastructure for water and sewerage
- Use of additional resources from reduced Council tax in priority areas

**CAIRNGORMS NATIONAL PARK AUTHORITY'S DRAFT RESPONSE
PAYING FOR WATER SERVICES 2006-2014 - A CONSULTATION ON THE
PRINCIPLES OF CHARGING FOR WATER SERVICES**

Cairngorms National Park Authority (CNPA) welcomes the opportunity to respond to this consultation, as it is important to them.

1. **Consultation point 1 invites us to comment on the principles outlined in the paper. These state that:**
 - Scottish Water should charge income from customers rather than through general taxation ie charges should be set to recover the full costs incurred by Scottish Water in providing public water and sewerage.
 - The objective of affordability should be a key factor in the arrangements for charging households.
 - Harmonisation be treated as fundamental to the maintenance of a nationally provided public water service irrespective of where they are in the country
 - There is a continuation with a charging regime that is based on a flat rate charge for the majority of customers and that contains a relatively high standing charge for those on measured supplies
 - All changes to charges will be phased over the life of the review, and beyond in the most significant cases.

2. It is difficult to comment without relating our response to the 'Investing in Water and Services 2006-2014' The Quality and Standards III project which outlines the substantial work required over the next 8 years and also to the CNPA's four aims, which are:
 - **To conserve and enhance the natural and cultural heritage of the area;**
 - **To promote sustainable use of the natural resources of the area;**
 - **To promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and**
 - **To promote sustainable economic and social development of the area's communities.**

3. The CNPA cannot agree with all the points raised and will go on to discuss, which in principle we support and those we disagree with and suggest solutions.

4. It seems reasonable that the Scottish Executive should contribute to the cost of providing water through general taxation rather than for instance, Communities Scotland allocating public funds to Housing Associations whose tenants then receive housing benefit; indirectly subsidising the provision of water. It is suggested that an allocation from general taxation would be sensible instead of double subsidy. This could be achieved through additional funding to Communities Scotland.

5. Section 2 - Consultation Points 3, 4, 5, 6 and 7 of the consultation paper has concentrated on cross subsidies, household and non-household charging, metered and non-metered water supplies, surface and highway drainage and effluent charging.

6. The CNPA's second aim to promote the sustainable use of natural resources of the area and the fourth aim relates to sustainable economic and social development of the area's communities. The Authority is, therefore, concerned to note Scottish Water's proposal to continue with the same charging regime where customers' supplies are measured, they would pay relatively high fixed charges and relatively low charges for each unit consumed. It may be of more economic long-term benefit to lower the standing charge and raise the consumption charges to encourage users not to waste water. Also, high standing charges may be detrimental to small businesses as they cannot afford the charges and it is often quoted as being a factor in them closing.
7. Under the CNPA's second aim to promote sustainable use of the natural resources of the area, the Authority has an interest in whether Scottish Water was going to promote the conservation of water in relation to both business and domestic use or suggest innovative solutions to developing houses in the countryside which will be less dependent on mains infrastructure for water and sewerage.
8. The CNPA believes that adding higher water charges to the Council Tax charge will add pressure to every household. The amount of the charge will raise the issue of affordability and it would seem reasonable to expect Scottish Water to set charges which are affordable not only for low income households but for everyone where ever they live.
9. Now that Ministers have decided to give local authorities discretion to reduce or retain the second homes Council Tax discount between 10% and 50% each Local Authority can take local circumstances into account using the additional revenue in priority areas. This should apply to water charges not just Council Tax.
10. Again in relation to the Park's fourth aim, consultation point 8 asks do we agree that developers should be expected to meet the cost of providing increased local capacity where this is necessary to take forward their proposed developments? This perhaps means that house buyers, not developers will end up covering developers' extra costs, and that this will inflate house prices even further? Development tend to be smaller in rural areas so this will push prices up further than in urban areas where costs can be spread over more housing units.
11. This also affects Housing Associations, who are not for profit organisations and often registered charities. Why should they too have to pay the increased costs? The cost of providing both housing and infrastructure are high already especially in rural areas .
12. CNPA queries whether some of the proposals are in line with the Scottish Executive's ethos of value for money and economies of scale? eg it would seem logical that whilst replacing pipes and treatment plants that it was more economic to increase the local capacity at the same time. Rather than going back to do this at some other time and paying twice to dig up and extend the same infrastructure.

13. In conclusion the Cairngorms National Park Authority would like to see:
- Increased investment to Communities Scotland towards Housing Associations to expand the system where this is not available
 - A fair charging system which is affordable for all clients whoever and wherever they are
 - Take a more focussed partnership approach on deciding priorities.
 - Innovation in terms of water conservation and developing houses in the countryside which will be less dependent on mains infrastructure for water and sewerage
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