

EXECUTIVE NOTE

THE WATER SERVICES CHARGES (BILLING AND COLLECTION) (SCOTLAND) ORDER 2006

(S.S.I. 2006/ 71)

The above instrument was made in exercise of the powers conferred on the Scottish Ministers by section 37 of the Water Industry (Scotland) Act 2002 (“the 2002 Act”) (as amended by the Water Services etc. (Scotland) Act 2005), after consultation with the Council on Tribunals under section 8(1) of the Tribunals and Inquiries Act 1992 . The instrument is subject to negative resolution parliamentary procedure.

Background and Policy Objectives

Section 29A of the 2002 Act enables Scottish Water to make a charges scheme which fixes the charges payable in respect of the provision of water and sewerage services by Scottish Water, in the exercise of its core functions under that Act. Water and sewerage charges (for non-metered households) are currently collected jointly with Council Tax by Local Authorities. This arrangement has been in existence since 1 April 1996 (when the three former Water Authorities were established under section 62(1) of the Local Government etc. (Scotland) Act 1994) and enables Local Authorities and Scottish Water to share billing and collection costs. The current Order, the Water Services Charges (Billing and Collection) (Scotland) Order 2005, expires on 31 March 2006.

The Order specifies how charges for each customer must be calculated; how they are to be presented on Council Tax bills; and provides for the amount and timing of payments from Local Authorities to Scottish Water. It also enables Local Authorities to extend certain Council Tax discounts or reductions (available under the Water and Sewerage Charges (Exemption and Reduction) Regulations 2006) to water and sewerage bills.

Ms Brankin, Deputy Minister for Environment and Rural Development wrote on 14 September 2005 to the Chair of Scottish Water and the President of COSLA to explain that the 2006 Order, in terms of form and content, would remain largely unchanged from the Order made in 2005 and would remain in force until 2010.

The Order

The 2006 Order requires Local Authorities to collect domestic water and sewerage charges on behalf of Scottish Water, except for those households which are metered and which are billed on that basis.

The Order makes provision in relation to:

- the amounts that must be billed to each customer;
- the discounts that may apply to customers by virtue of the Water and Sewerage Charges (Exemption and Reduction)(Scotland) Regulations 2006 or under section 79 of the Local Government Finance Act 1992;
- the format of the bill to be presented to customers;
- the amounts and timing of payments to be made to Scottish Water by Local Authorities;
- the minimum amount payable by Scottish Water to Local Authorities for the billing and collection services provided;
- appeal arrangements; and
- the records and accounts that must be kept and prepared by each Local Authority.

Consultation

The 2006 Order has been prepared in consultation with COSLA, Scottish Water and the Council on Tribunals, and has been consulted upon in terms of section 8(1) of the Tribunals and Inquiries Act 1992. All are content with the form and content of the Order. COSLA however, remain opposed to the manner in which amounts to be transferred to Scottish Water are calculated. They contend that these amounts should be calculated on the basis of the actual amounts of water and sewerage charges collected, rather than as a proportion of the total revenues received.

Financial Effects

The only financial effect of the 2006 Order is an increase in the minimum amount payable per dwelling by Scottish Water to Local Authorities for services provided to £4.86.

Water Services Division
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