



Graeme Pollard
Diocesan Secretary

**To: Incumbents and Priests-in-Charge
Churchwardens
Treasurers**

This letter has also been sent by e-mail to those for whom we have addresses

04 April 2008

Dear Colleague

Surface Water and Highway Drainage Charges for 2008-2009

The Archdeacons and I are writing to you because of grave concerns which have been raised in relation to water charges.

From April 2008 United Utilities is extending charges for surface water and highways drainage to places of worship as non-household customers. Previously, no charges were levied. The charges will be phased in over three years, a third at a time, and will be based on total site area. There is information relating to this on the United Utilities website.

Initially, the charges will only be applied to church premises with water meters, meaning that many churches will not yet be affected by the new charge. However, United Utilities intends to extend the charges to all in due course.

The Secretary of State for Environment, Food and Rural Affairs was asked, in a Parliamentary question, whether he was able to intervene to assist churches facing increased charges for surface water drainage.

On 23 April 2007 Mr Ian Pearson replied:

"In 2003, Ofwat carried out a review of Surface Water Drainage charges for non-household customers. This recommended a move from charging based on rateable values towards a site-area method. Ofwat considers that charging by site-area is the fairest method: it ensures that individual customers pay for the load which they impose on the drainage system.

Every year each water company proposes a charging scheme which Ofwat must approve. Non-household customers should pay for their water on the basis of the company's charges scheme, or on the basis of a specific agreement between the customer and the company.

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The Secretary of State issued guidance in 2000 on matters that Ofwat must have regard to when exercising its power to approve charges schemes. This explains that it is inappropriate to charge all non-household customers as if they were businesses. If premises such as churches are charged on the same basis as the other non-household users, they can face disproportionately high costs. Such premises should be able to benefit from tariffs which reflect their relatively small demand on the water system."

Some parishes have already been charged nearly £1,000 for the year 2008 to 2009. In addition, some parishes are receiving notices for churchyards and parsonages, contrary to United Utilities' own guidance which excludes churchyards, and where parsonages are classed as household property.

United Utilities is being challenged at Diocesan and National level regarding these charges and we are working closely with the Dioceses of Liverpool, Chester, Manchester and Carlisle, all of which are in the United Utilities area.

When such charges are received it is the responsibility of the individual parish to highlight any errors in the notice and also to argue over the relevant area and to prove that surface water does not drain into the public system.

The Diocese recommends that parishes challenge United Utilities, using the following approach:

- Ask for the calculation of the total site area. When you receive this you should check it very carefully (United Utilities has provided a site plan to the Diocese in relation to one of its properties for us to amend to show the correct site boundaries. The plan we received from them indicated a much larger area than is the case);
- The new drainage charges should only apply where a water meter is installed. It has been noted that church sites are being treated as one entity, although it is often the case that a church and church hall are in separate legal ownership with separate water supplies. United Utilities has accepted that charges should only apply to the part of the site where a water meter is installed, for example a church hall, with the church and churchyard being excluded from charges;
- All parsonage houses and their grounds should be excluded from the total site area as they are treated as domestic customers;
- Permeable areas are meant to be excluded from the total site area. On this basis, it is reasonable to argue that most of a church's grounds including the churchyard/burial ground should be taken out of the calculation of total site area;
- Church premises often have their own soak away system or other arrangements that one could argue would avoid discharge into United Utilities drains. This can be used as an argument for abating the charges;
- Finally, Ofwat and United Utilities do not appear to be taking account of the Secretary of State's guidance as outlined in Ian Pearson's reply;


United Utilities is arguing that 50% of the charges relate to highway drainage. Therefore, you will not receive any reduction in this amount until the reasonableness of this approach is challenged.

Blackburn Diocese, in conjunction with other dioceses, will continue to pursue the issue, both locally and nationally. It would be helpful if you alerted your local MP and others to the current problems and to compare notes with other local charitable organisations and churches that are likely to be facing the same situation.

It will be of assistance if you can advise me of any charges you receive and the process and outcome of any dispute with United Utilities.

Best wishes

Yours sincerely

A handwritten signature in black ink, appearing to read 'Graeme', with a long horizontal flourish extending to the right.

Graeme Pollard
And on behalf of the Archdeacon of Blackburn and Archdeacon of Lancaster