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"Proclaiming the Word and Work of God"

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To: PCC Treasurers

Set out below is a recent report received from the Cathedral and Church Buildings Division of the Archbishop's Council:

WATER RATES

As a result of the 1999 Water Industry Act, the water companies have introduced new charging regimes for the three main elements of drainage:

1. foul water drainage: waste water from sinks, WCs etc;
2. surface water drainage: rainwater run off from roofs and car parks into mains drains;
3. highways water drainage: a contribution towards the overall cost of drainage for public highways.

Under the new regimes, the general shift is towards charging for foul water drainage in relation to metered supply, where a meter has been fitted. For surface water and highways water drainage, charges are being introduced by reference to the footprint of buildings and drained car parks or hard standings on a site (a site area assessment) on the basis that it more fairly reflects the relative use of the public drains.

The other change is that properties which were formerly exempted in their own right from business rates, such as places of worship or properties used for the disabled, or which enjoyed relief by virtue of being charities, such as village halls, Scout halls etc., will be subject to the same rates as business users, as they fall within the non-household category.

Changes to the charging schemes for surface and highways water drainage have already begun to affect churches, particularly in the north of England. It is possible that water companies across the rest of the country may follow the precedent set by

those four companies – United Utilities, Northumbrian Water, Yorkshire Water and Severn Trent – that have to date implemented new charging regimes.

The Church of England has estimated that it may face an annual overall increase in its water bills of up to £15 million. Most churches' water bills will rise by hundreds of pounds; some by a few thousand. Discussions have taken place with Ofwat, the water industry regulator, and Government. The Archbishop of York has written to the Prime Minister.

On-going developments:

- Downing Street e-petition: this now has over 38,000 signatures (lying first overall). The deadline to register has been extended to 6 April 2009, reflecting the level of interest in the issue.
(<http://petitions.pm.gov.uk/ChurchWaterBills>).
- General Synod Motion: the Private Members motion tabled at the York Synod 2008 by Martin Dales (Diocese of York) received 149 signatures during the sessions, rising to second in the lists, and will therefore be debated at the February Sessions 2009.
- Early Day Motion: In July Lindsay Hoyle, Labour MP for Chorley, tabled the EDM below which has attracted 46 signatures:
(<http://edmi.parliament.uk/EDMi/EDMDetails.aspx?EDMID=36468&SESSION=891>)

(This is in addition to the EDM tabled by Timothy Farron MP on United Utilities charging).

Correspondence is continuing with senior ministers and a briefing has been provided to MPs.

Representations have also been made by non-Church charities such as the Scout Association, ACRE (Village Halls) and sporting charities individually or through Community Matters (the National Federation for Community Organisations, representing over 1,100 member organisations) of which the Churches Legislation Advisory Service (CLAS) is a part.

CLAS is also linked with the Charity Tax Reform Group which we understand is considering making wider representations on behalf of the charitable and voluntary bodies to the Office of the Third Sector and Defra.

We are in touch with Defra officials responsible for water charging policy. They confirm that the issues are very well understood within Whitehall, and that Ministers are considering how to respond to concerns of the churches and the wider voluntary sector.

Next steps:

Clearly this remains a serious situation and both on behalf of the Church of England, and as part of a wider faith, charitable and voluntary sector, we will maintain dialogue with Ministers and officials.

The message is starting to get across, but it remains to be seen how much movement we may be able to secure. There remains the possibility that the charging regimes in place in the Northern Province will not only become the norm but be adopted throughout the country. So we must keep the pressure up. We have, at least for the moment, decided against a mass letter writing campaign, but we would encourage dioceses and parishes to talk to their local MPs to ensure that they are aware of the likely impact on Church and community life. Please also encourage more signatures on the No 10 website.

Geoff Marsh

Assistant Diocesan Secretary