

BY EMAIL



19 March 2009

Dear Consultee

The global economic slowdown is now being felt in Scottish businesses and high streets and, with the UK entering recession, this is likely to continue over the weeks and months ahead. The Scottish Government has already demonstrated that it will not simply sit back and wait for things to get better.

We are considering a range of suitable interventions to help businesses, households and other organisations. As part of this we are currently reviewing our plans to introduce changes to the surface drainage charge basis from 2010.

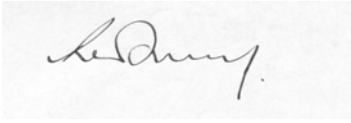
As you will know, this planned change was driven by past customer support and would involve a departure from the current rateable value basis for charging for surface drainage (but not public roads), to a charging structure based on the actual surface area of premises, including roofs, car parks etc. that drain to the public sewers. The intention was that with this change, future charges for this service would become more obviously cost-reflective. In practice the change would mean that premises with low rateable values and larger surface areas would pay a higher charge while those premises with higher rateable values and smaller surface areas would pay a smaller charge.

The change to surface drainage charging will however occur at a time when a number of other major changes to the non-household charging structure will be underway. These include the development of the competitive market, the general unwinding of cross-subsidies and the phasing in of metered charging. Customers will see adjustments to their future bills as a result of these other changes. If we follow the present course, customers will have to adjust to these at the same time as the surface drainage change.

In light of this, and to minimise disruption for customers during the current difficult economic times, Ministers believe that it may be appropriate to defer the introduction of the surface drainage change perhaps until 2014. I would welcome your views on this proposal.



I am seeking responses by **Friday 10 April 2009**. I recognise that this represents an extremely tight deadline but Ministers are keen to confirm their policy intention by the end of April before the Water Industry Commission significantly develops its 2010-14 draft determination of water charges.



Bob Irvine
Water Industry & Climate Change Directorate