



Charging for Trade Effluent: a consultation

Response from FSB Scotland

Introduction

The Federation of Small Businesses is Scotland's largest direct-member business organisation, representing over 18,000 members. The FSB campaigns for an economic and social environment which allows small businesses to prosper.

FSB Scotland has taken a strong interest in the development of non-domestic water charges in Scotland in recent years and we welcome this opportunity to comment on changes to trade effluent charges. We note that a relatively small number of small and micro businesses are currently paying trade effluent charges. We have identified a small number of FSB members who are likely to be affected (though there are probably more who were not able to contact) and will try to keep in touch with them as decisions are taken on this matter. We also appreciated the opportunity to discuss this matter with Commission officials and look forward to maintaining that dialogue.

Lastly, FSB Scotland is concerned that such a small number of businesses appear to be paying trade effluent charges. While we would not advocate a rush to add on additional charges to small businesses already paying exorbitant water charges, it does not seem fair that some businesses pay, while others do not. It seems that the current system is largely subjective and as a result, we feel that the Water Industry Commission should ask Scottish Water for further detail about their definition of trade effluent and which customers are liable to pay.

Consultation Questions

- 1. Do you consider that our proposal to allow companies a 'grace year' is appropriate?**

Yes, absolutely. Given the significant sums involved, this is necessary.

- 2. How should Scottish Water communicate to customers the likely change in bills?**

FSB Scotland believes that; given the limited number of customers involved, the large increases expected, and previous increases seen by these customers, this change requires a substantial communication effort from Scottish Water. Under the circumstances, it does not seem unreasonable to expect Scottish Water to write to affected customers as a first step, and to follow this up by a visit from Scottish Water officers to explain the reasons for the increase and advise the customer of the likely increase.

- 3. Do you agree with our proposal that charges should increase in three equal monetary amounts? If not, what alternatives would you consider appropriate?**

On balance FSB Scotland prefers the percentage increase options outlined in the consultation paper.

4. Do you consider that allowing three years for charges to be increased over is sufficient time?

In our view, three years is the minimum time period for phasing in increases. Ideally we would prefer to see a five-year phase-in period.

5. Do you agree with our proposal that, where customers' bills rise as a result of improved treatment, the same phasing arrangements are put in place for these customers?

Yes.

6. Do you agree with our proposals concerning how to ensure that phasing arrangements are carried out as competition is introduced?

Yes, this seems appropriate.

For further information on any of the points raised in this submission, please contact Susan Love, Policy Development Officer, on scotpu.policy@fsb.org.uk or 01259 723713