



Mr Graeme Day MSP  
Convener  
Environment, Climate Change and Land Reform Committee  
c/o Clerk to the Committee  
Room T3.40  
The Scottish Parliament  
Edinburgh, EH99 1SP

4 May 2018

Dear Convener

**Request for additional information following evidence to the Committee on 17 April 2018**

Thank you for your letter of 25 April 2018 requesting information on the numbers of complaints received from businesses regarding charging for leakages on agricultural land.

Following the committee meeting last year, we undertook a number of actions to help improve information for customers in this area. We expanded the information on our website, provided the NFU with a Leak/Burst Allowance Guide for their members and included information on excess consumption and leakage allowances in our quarterly MP/MSP newsletter. I've appended copies of both to this letter.

We are not able to separately identify complaints we receive from agricultural customers, so the figures referenced here represent all of the complaints we received from customers concerning leaks and excessive consumption, for each of the two years requested.

The number of complaints we received, reduced from 31 in 2016/17 to 17 in 2017/18. We have resolved 44 of those cases and are working with Scottish Water and the customers to resolve the remaining 4.

We continually look for ways to enhance the service we provide to our customers and I hope that these actions provide some assurance that we do listen and respond positively to feedback from our stakeholders and customers.

If I can help you with anything further, please do let me know.

Yours sincerely

Johanna Dow  
Chief Executive

## Leak/Burst Allowance Guide

Scottish Water has a burst allowance policy which sets out the circumstances under which it will grant allowances for water lost to bursts and leaks.

Allowances are granted on water and wastewater charges where:

- the burst occurs on a Scottish Water asset, or
- where the burst was caused by Scottish Water or their agents.

Where the burst is on private pipework, which the customer is responsible for (see below for details), allowances are granted for a period of up to six months on waste water charges, where the lost water hasn't returned to the public sewer.

### Definition of responsibilities for pipework

Under the Water (Scotland) Act 1980, Scottish Water are responsible for the part of the service pipe between the water main and the property boundary and the customer is responsible for the part of the service pipe inside the property boundary. These responsibilities are unaffected by the location of the water meter which is usually (but not always) located inside the property boundary.

### Qualifying conditions

- Allowances won't be granted automatically, the customer will have to make a formal application to Scottish Water through their Licensed Provider.
- Scottish Water will require evidence that the burst has been repaired, either by providing a copy of the invoice for the repair, or by providing at least two actual (not customer) meter reads after the repair.
- The application and the relevant supporting information will need to be submitted within six months of a burst being repaired.
- Only one burst allowance will be granted per supply point in any 12 month period, except where the burst was caused by Scottish Water or their agents.
- Where Scottish Water identify a burst and notify either Business Stream or the customer, and the customer does not have the burst repaired within 10 working days of the notification, the customer won't be eligible to apply to Scottish Water for a burst allowance. The only exception to this will be where there is sufficient proof that reasonable endeavours were made to have the burst repaired within 10 working days.
- The granting of a burst allowance will be at Scottish Water's discretion, but where they reject an application they will provide reasons to support their decision.

### Calculation of burst allowance

- The burst allowance will be calculated as 100% of the difference between the average daily consumption for the same period in the previous calendar year and the average daily consumption for the duration of the burst. If there is any seasonal usage, this will be taken into consideration.
- Where historical consumption data is not available, the next two actual reads, following the repair of the burst can be used as the basis for the allowance.
- The adjustment will only be applied to waste water charges, not water charges, except where the leak has been caused by Scottish Water or their agents.

### What to do if you think you have a leak/burst

If you suspect a leak, please contact one of our water industry experts on 0845 602 8855 who will be happy to help and advise you on the next steps.



# News stream: An update on the non-household water market

## MSP Newsletter

### Issue 1 - October 2017

Please find the first in a series of Business Stream newsletters developed to provide an update on non-household water issues that may be impacting your constituents.

Following the introduction in the past two years of a number of water related Scottish Government initiatives - including the new charity exemption scheme, the introduction of vacant charging for non-household properties and the forthcoming move to live RV - this newsletter provides an update on recent developments and details around the support we offer our customers in each of these areas. You'll also find background information on meter readings and detecting leakages.

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#### LIVE RV

A Rateable Value (RV) is an assessment of the value of a property made by the Scottish Assessors Association. It is used by all water retailers to calculate drainage charges and it is also used as the basis for calculating water and waste water charges for properties that don't have a water meter installed. The Scottish Government has announced that from April 2020, all rateable value (RV) based charges will be calculated using the same RV as is currently used for Business Rates i.e. the Live RV.

RV based water and waste water charges are currently calculated using historic RVs, in many cases dating back to 1995. The Scottish Government has proposed that moving to Live RVs would be fairer for customers. The unit rate charged to customers for every £ of RV will reduce by approximately 30% as a consequence of this change. The changes will be phased in through a three year transition period, which will commence on 1 April 2018 and end on 31 March 2021. In the first year of transition, two thirds of the charge will be based on the old RV, with one third calculated using the live RV at the new unit rate.

Over the coming months we will be writing to all of our customers to explain what the changes mean for them and how the process will work. Whilst some customers will see a reduction in their bills as a result of these changes, for others it will lead to increased charges. We will do all that we can to support those customers, including providing advice on what they can do to help reduce their charges. We will also continue to keep you informed on developments.

#### CHARITY EXEMPTION SCHEME

The Scheme, which has been running since 2015, enables all charities registered with the Scottish Charity Regulator (OSCR) and Community Amateur Sports Club with an annual income of less than £300,000 to apply for a total or partial exemption from their water bills. Charities are free to first apply at any point in the year but must then ensure that they re-apply every year by the 31<sup>st</sup> March.



To support our customers we have created an easy-to-use exemptions application form, which is available on our website, as well as clear guidance notes and FAQs. We are also currently in the process of preparing communications to go out to all eligible customers to remind them that they need to reapply by 31<sup>st</sup> March to retain the exemption and to direct them to the guidance that is available on our website. If any customer is having difficulty assessing or completing the application form they can contact us directly and we'll happily support them through the process.

Please note it can take up to 8 weeks for the application process to be completed.

For further details:

[business-stream.co.uk/charity-exemption](https://business-stream.co.uk/charity-exemption)

## VACANT CHARGING FOR NON-HOUSEHOLD PROPERTIES

Since April 2017, all non-domestic properties, even those which are unoccupied, are now liable for water, sewerage and drainage charges. Whilst previously all vacant properties were exempt from water charges, it is now the responsibility of a property's owner, or their appointed landlord, to pay these charges whilst the property remains vacant. You may also be aware that since the start of the year, it is now mandatory for owners and landlords to notify their Licenced Provider (water retailer) of any change of occupancy.

To support our customers, we have a detailed FAQ section on our website, in addition to a link to the Scottish Landlord Portal, which can be used by property owners and landlords to manage the details and occupancy status of their properties. Any updates made on the Portal will automatically be passed to us.

We appreciate this is a new charge and that awareness of the new legislation is low amongst property owners and we therefore offer a range of payment solutions for any customers experiencing payment difficulties.

For further details:

[business-stream.co.uk/vacant](https://business-stream.co.uk/vacant)

## SPOTLIGHT TOPIC: METER READINGS AND LEAKAGES

All Licensed Providers are required to take at least two actual meter reads each year for every non-household premise. One of these reads can be a customer read, however we operate a meter reading cycle with the aim of collecting actual reads from all of our customers twice a year, with monthly meter reading in place for larger consumers of water.

Whilst there are no legal requirements to notify customers in the event of a meter reading picking up an unusual or high consumption figure, we have internal validations in place which 'reject' any readings where the consumption recorded is more than 2.5 times greater than the average consumption from the last 5 registered meter readings.

Where meter read exceptions are identified, our Validations Team review the customer's account history to assess whether there have historically been similar periods of high consumption, which may be an indicator of seasonality (common in the case of agricultural customers). If the consumption cannot be validated, we will contact the customer to discuss the possible reasons behind the increase, which could mean an issue with their pipework. If that's the case then we'll work with the customer to resolve the problem. In addition, we always ask our meter reading contractors to contact us immediately in the event they witness a leak and Scottish Water can notify us should they find a leak during a site visit.

We have produced a Leak Allowance Guide, which explains what customers should do if they suspect a leak and includes a summary of the qualifying criteria for burst/leak allowances.

Find a copy of this guide on:

[business-stream.co.uk/leak-allowance](https://business-stream.co.uk/leak-allowance)