EXPLANATORY NOTE

(This note is not part of the Regulations)

Section 40 of the Water Industry (Scotland) Act 2002 provides for the Scottish Ministers to make Regulations to reduce the amount of charges which would otherwise be payable by a person to a local authority in respect of services provided by Scottish Water. In accordance with this provision, these Regulations provide for such reductions in water and sewerage charges in Scotland from 1st April 2005 until 31st March 2006 ("the relevant year").

Regulation 3 provides that only those persons who are liable to pay local authorities for the provision of water and sewerage services, by virtue of the Water Services Charges (Billing and Collection) (Scotland) Order 2005, are eligible for a reduction under the Regulations as calculated in accordance with regulation 4.

Regulation 4 provides that a reduction is to be available to eligible persons where these persons are in receipt of council tax benefit and where the amount in charges that they are liable to pay in 2005 06 is in excess of £255 (for the year 2004 05, this amount was £240). It provides for the part of the charges in excess of £255 to be reduced in direct proportion to the council tax benefit received by virtue of the Social Security Contributions and Benefits Act 1992.