



NEW SURFACE WATER MANAGEMENT PLANS

The EGU highlight key issues of new water surface water plans that could have a major impact on the charges golf clubs pay (*reviewed July 2012*)

Surface Water Drainage Today

Central to the long term forward planning for water supply are the statutory 25 year water resources management plans that water companies are required to produce and which help inform the 5 yearly reviews of water price limits carried out by OFWAT, the economic regulator for the water industry.

In these plans, water companies must examine their supply options strategically, innovatively and take into account the best available information about changes in climate, population and water demand. They believe these plans will become a vital tool in climate change adaptation efforts.

They will also encourage the increased use of rainwater harvesting where appropriate, as a means of managing local water demand and reducing reliance on the public water supply.

Property developers and owners as well as land managers are encouraged to make a positive difference. It is more sustainable to manage surface water, especially storm water, in a way that allows it to be reused or allowed to permeate naturally through the catchment rather than being directed into and potentially overloading the public sewers.

There are real opportunities for rainwater harvesting, through the use of whole building systems with underground tanks, which can help alleviate public water supply while playing an important part in surface water management.

Water companies want to use Surface Water Management Plans (SWMP) as a tool to improve the coordination of drainage stakeholders. They also want to promote sustainable drainage by clarifying responsibilities and improving incentives for property owners and developers. They are currently consulting on these issues, including options for ownership and maintenance of sustainable drainage systems, and alternatives to automatically connect surface water drainage to the public sewerage system.

Achieving Their Vision

The SWMP strategy puts forward a suite of policies to encourage more effective and sustainable management of surface water. They propose using these plans as a tool to improve co-ordination

between stakeholders involved in surface water drainage, and promoting sustainable drainage systems by clarifying responsibilities and improving incentives for property owners.

The aim of the SWMP system of charging is to achieve transparency and reward organizations that place a smaller load on the surface water drainage system.

What OFWAT Say On Surface Water Charging

The true costs of surface water flooding, and subsequent water quality impacts, are rarely factored into household and business decisions.

OFWAT recommends that water companies implement charges for surface water drainage based on drainable surface area, particularly for non-household customers. Four of the nine water and sewerage companies in England use this tariff structure.

All companies offer a rebate of surface water drainage charges for customers whose surface water is not connected to the public drainage system, but uptake is limited, any change in the basis of charging will benefit some and disadvantage other. However, they will work closely with stakeholders to ensure adverse consequences are minimized and the vulnerable customers are protected.

In addition, they will also consider whether funding for surface water drainage should be changed to better reflect the polluter pays principle. This may involve strengthening requirements by OFWAT for water companies to vary their charges to reflect more accurately the true cost of surface water drainage.

OFWAT and the Consumer Council for Water agreed that the fairest way to charge non-household customers for rainwater drainage is through a site area based approach that links charges to the ‘footprint’ size of the area drained.

Measuring The Chargeable Area?

Calculating the chargeable area of properties is done by using a number of information sources including digital mapping systems as well as those of the Land Registry and the Ordnance Survey. The first measurement is the total area of the whole site to be drained in square metres, and then automatically discount any permeable areas within the site boundary.

We reference surface types from Ordnance Survey mapping data. Examples of permeable areas that we will automatically exclude from our calculations include:

- Grassed area (ie golf courses, sports pitches, playing fields)
- Forests and wooded areas
- Cultivated land
- Public highways are excluded from calculations where they fall within site boundaries

The actual chargeable area that will be used to generate charges may therefore be less than the total site area measurement.

The new charge is banded and the chargeable area will determine which band a property will be allocated to. Wherever practical there are plans made available for customers to view and check our assumptions relating to the location and extent of the concerned area for measuring purposes.

Currently 4 out of 10 water utility companies have implemented, or are in the process of implementing, site area based charges - Severn Trent (1990-91), Yorkshire (2001-02), Northumbrian (2005-06) and United Utilities (Currently being phased in).

OFWAT has indicated that it expects the remaining companies to begin the process of adopting this approach to charging.

The introduction of site area based charging creates both winners and losers. Where the system replaces a rates based charge it will tend to benefit small businesses, retail outlets, charity shops and community facilities which are located close to the centre of towns and cities. Those who will pay more are likely to be customers with larger sites such as golf clubs.

At their March 2008 meeting the Consumer Council for Water Board confirmed their support for site area charging. They agreed that companies should phase in its introduction in order to mitigate the impact on customers and to give them an opportunity to take steps to reduce the level of their charges (eg by changing areas such as car parks to permeable surfaces).

The Board also agreed that charges should be applied equally to all customers, without exception, to avoid the introduction or perpetuation of cross subsidies. OFWAT has indicated that it expects Severn Trent to phase out its existing concessions to community and charitable organizations.

What If I'm Not Connected Or Only Partially Connected To The Sewer?

You can apply for a reduction if you are not connected. However, you can only claim for a partial connection if more than 10% of the total site area does not drain to the network (either directly or indirectly). If your claim is successful and it is verified that you have no connection, this element will not be charged for the surface water billing and the club will only be invoiced for the highway drainage.

If the club make a claim for a partial connection and your claim is successful, you will be given a new charging band that reflects the remaining chargeable area of your property for surface water drainage and your Surface Water charge will be based on this.

The charging band for your Highway Drainage part of the charge will not change, it will remain the same as the reduction only applies to the surface water part of the charge.

Charging Structure

In certain circumstance the surface water from some properties will not drain to the public sewer, it may drain direct to a local watercourse, river or a soak-away. Where such a claim is upheld an adjustment will reflect that this part of our service is not provided.

If you have made a successful claim in the past, and your current charges are reduced, then an adjustment will automatically be made to your new site area charge to reflect this – **you do not need to make a new claim.**

Note: No reduction in the highway drainage element of the sewerage services will be made.

If you have not previously claimed under this scheme or think you might be eligible for a further reduction, then you need to submit a claim.

Example – Site Area Charges

Site area charging by United Utilities Ltd (UUL)

In 2007, United Utilities introduced the new way of calculation for your surface water and highway drainage services.

Currently, for the majority of existing businesses, calculation of the surface water and highway drainage services is based upon the rateable value of the premises.

Although the rateable value provides a useful guide to the size of your property, there are inconsistencies depending upon where your business is located.

However, from 1st April 2008, the way United Utilities charge for this service will take into consideration both the size (footprint) of your business property as well as the external drained areas of your site (such as car parks and other hard standing areas). UUL call this new method of calculating your surface water and highway drainage 'site area charging'.

In certain circumstance the surface water from some properties will not drain to the public sewer, it may drain direct to a local watercourse, river or a soak-away. Where such a claim is upheld UUL adjust charges to reflect that this part of the service is not provided. If a successful claim has been made in the past, and current charges are reduced, then we UUL automatically adjust the new site area charge to reflect this – you will not need to make a new claim.

Note: UUL do not offer a reduction in the highway drainage element of the sewerage services.

If your club have not previously claimed under this scheme or think you might be eligible for a reduction, then you need to submit a claim. To obtain a form either:

- ✎ download the form from your water utilities website; or
- ✎ request a surface water drainage factsheet for business customers from your utility supplier. The factsheet contains a claim form; or
- ✎ contact OFWAT

Examples Of Business Metered Charges 2008-9

Water charges

- ✎ A volumetric charge/m³
- ✎ Plus a standing charge p.a.

Meter Size (mm)	Standing Charge p.a. (£)
15	49
20-22	73
25-35	88
40-42	122
50-54	184
80	599
100	1024
150	1754
Farm Troughs	70

Sewerage Charges

(a) Charges for existing premises connected to our sewerage system prior to 1st April 2007

Foul Drainage	
A volumetric charge - pence per cubic metre (m ³)	£0.950

Plus: surface water and highway drainage charges

Either - a charge per £ of charging value

	Phased Charge	Full Charge
Charge per £ of charging value	£0.401	£0.602

Or - a standing charge p.a

Meter Size (mm)	Standing charge p.a. (£) - phased charge	Standing charge p.a. (£) - full charge
15	65.33	275
20-22	183.33	275
25-35	325.33	488
40-42	732.00	1,098
50-54	1,298.67	1,946
80	2,920.67	4,381
100	5,187.33	7,781
150	11,663.33	17,495

If none of the surface water enters the public sewer system, either directly or indirectly, either the charge per £ of the charging value is reduced or the standing charge for surface water and highway drainage is reduced by approx 50 per cent.

Plus: a charging band as specified below

Charging band	Chargeable area (m ²)	Surface water drainage only Charge p.a. (£) - phased charge	Highway drainage Charge p.a. (£) - phased charge	Surface water and highway drainage Charge p.a. (£) - phased charge
1	0-124	16.34	16.33	32.67
2	125-299	40.66	40.67	81.33
3	300-649	91.00	90.67	181.67
4	650-1499	205.67	205.33	411.00
5	1500-2999	430.00	430.00	860.00
6	3000-6999	956.00	955.67	1,911.67
7	7000-11999	1,816.00	1,816.00	3,632.00
8	12000-17999	2,867.67	2,867.33	5,735.00
9	18000-24999	4,110.00	4,110.00	8,220.00
10	25000-49999	7,168.66	7,168.67	14,337.33
11	50000-74999	11,947.66	11,947.67	23,895.33
12	75000-99999	16,727.00	16,726.67	33,453.67
13	100000-124999	21,506.00	21,506.00	43,012.00
14	125000-149999	26,285.33	26,285.00	52,570.33
15	150000 & above	27,149.00	27,148.67	54,297.67

(b) Charges for new and altered measured non-household premises connected to our sewerage system on or after 1st April 2007.

Foul Drainage

A volumetric charge - pence per cubic metre (m³) £0.950

Plus: surface water and highway drainage charges

Charging band	Chargeable area (m2)	Surface water drainage only Charge p.a. (£) - phased charge	Highway drainage Charge p.a. (£) - phased charge	Surface water and highway drainage Charge p.a. (£) - phased charge
1	0-124	49	49	98
2	125-299	122	122	244
3	300-649	273	272	545
4	650-1499	617	616	1,233
5	1500-2999	1,290	1,290	2,580
6	3000-6999	2,868	2,868	5,735
7	7000-11999	5,448	5,448	10,896
8	12000-17999	8,603	8,602	17,205
9	18000-24999	12,330	12,330	24,660
10	25000-49999	21,506	21,506	43,012
11	50000-74999	35,843	35,843	71,686
12	75000-99999	50,181	50,180	100,361
13	100000-124999	64,518	64,518	129,036
14	125000-149999	78,856	78,855	157,711
15	150000 & above	81,447	81,446	162,893

Examples Of Business Unmetered Charges 2008-09

Unmeasured charges

Water		Sewerage
Standing charge p.a	Charge per £RV	Charge per £RV
£50	£0.740	£1.257

Other Water Company Charges

Charges will be different for consumers who live near to the borders of the Company's area and receive water supply and sewerage services from different company.

Assessed charges for non-household premises

The assessed charge for non-household premises will comprise of a fixed annual sum as follows:

Premise type	Water	Sewerage	Total
Non-household premises where the Company determines the meter size would be 15mm	£469.36	£308.61	£777.97
Non-household premises where the Company determines the meter size would be >15mm but <22mm	£1,121.53	£769.79	£1,891.32

Note: the sewerage charge quoted does not include surface water and highway drainage charges. These will be charged separately depending on the circumstances as set out in tables in the section covering metered charges.

Glossary of Terms

Assessed Chargeable Area

- ☞ an assessed chargeable area calculated by the Company for charging purposes by reference to the chargeable area, for sites in multiple occupation.

Chargeable Area

- ☞ the total area, within a site, of non-permeable surfaces from which surface water or groundwater drains directly or indirectly to a public sewer. It comprises the whole site less any qualifying excluded areas.

Charging Band

- ☞ a band allocated to premises based on the chargeable area.

Charging Value

- ☞ the rateable value of a premises shown in the official valuation list (for the purposes of the General Rating Act 1967) on 31 March 1990; or An Assessed Charging Value calculated by the Company for charging purposes, by reference to either rateable value or business rateable value as appropriate, and used as an alternative to rateable value. This is the value currently shown within the Company billing system.

Drained Area

- ☞ the sum of non-permeable areas within a site connected for surface water for charging purposes, expressed in square metres.

Hereditament

- ☞ premises or a unit of property which would have been shown as a separate item in the valuation list prepared under Part V of the General Rate Act 1967, and shall include premises or a unit of property assessed as such by the Company.

Highway Drainage

- ☞ is rainwater entering a public sewer from highways within our region.

Impermeable

- ☞ areas such as buildings, paved areas, paths, roadways and hard standing areas that drain to sewer.

Non-household customer

- ☞ a person who is an occupier of premises other than a house or who has agreed with the company to accept responsibility for water services charges provided to the occupier.

Partial Connection

- ☞ describes a site from which a portion of surface water drains to a soak away, watercourse, culvert, etc, under private arrangements, and does not drain to public sewer.

Premises

- ☞ includes any building or part building which is separately occupied or intended to be occupied and land or interest in land.

Shared Areas

- ☞ any areas of sites in multi occupation, which one or more occupiers have the beneficial use of, will be known as shared.

Site

- ✎ means premises in the same cartilage or which adjoin each other receiving the benefit of the supply or service and which are in the same occupation of a single consumer and operated as a single economic unit.

Site Area

- ✎ the total area of a site including all buildings, gardens, grounds and car parking expressed in square metres.

Substantially altered

- ✎ means substantially physically altered, subjected to a material change of use, split into different and separate occupations, merged with other premises, partially demolished, or otherwise altered in such a manner that the charging value of premises is in the opinion of the Company no longer appropriate; “substantial alteration” shall be construed accordingly.

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