

Application Pack 6

How to apply to Requisition a Public Sewer and/or Lateral Drain

Guidance Notes

The provisions of the Water Industry Act 1991 (WIA91) take precedence over these notes. You may wish to refer to the WIA91 to obtain fuller information regarding this and other services.

We recommend that you read the guidance notes before making an application.

Note: Where the term ‘sewer’ is used in this document, it includes both sewers and lateral drains unless specifically stated otherwise.

Terms used in this Application Pack are explained in our Glossary which is on our website

1. Introduction

As the statutory sewerage undertaker we have a duty under Sections 98 – 101 of the WIA91 to comply with a requisition Notice served on us for the provision of a public sewer/lateral drain and/or associated apparatus, which is required for the drainage of domestic sewerage purposes only.

Two main reasons exist for the person(s) exercising the rights to serve Notice. The first is where a person(s) wishes us to lay sewers in private land (by us serving Notice under Section 159 (WIA91) so that a communication with an existing public sewer can be achieved; the second is where, as a consequence of the provision of the new sewer/lateral drain, reinforcement of the existing public sewer network is required to ensure that the development, and the local area, has an effective sewerage system (Section 94 WIA91).

You cannot requisition a public sewer to serve existing properties which are already connected to the public sewerage system. However, if your property is connected to a private system, including a septic tank or cess-pit, and where that private system is having an adverse effect on the environment, you may be able to request us to provide a sewer or lateral drain under the provisions of Section 101 of the WIA 91. In this case you should contact us at the address given later in this document.

We will manage the requisition process on a staged basis which is set out in Section 3 of these notes. We will design, construct and commission the sewer/lateral drain and any other associated apparatus.

Under the provisions of the WIA91, we are entitled to recover the costs we incur in providing a requisitioned sewer and/or lateral drain. This includes, among other things, the reasonable costs of design, labour, plant, materials, reinstatement, land purchase (if applicable), compensation, and quality testing, inspection, supervision, administration and overhead costs.

We will require such security as may reasonably be required in line with our Financial Security Policy.

Where you have requisitioned, Section 100(4)(a) of WIA91 allows requisitioning charges to include any costs reasonably incurred in providing any other public sewers and pumping stations, etc, as are necessary to provide as a consequence of the provision of the new sewer. These charges are commonly known as network reinforcement charges.

Also, under section 100(4)(b) of WIA91, we can in addition to the costs for the new sewer, charge the requisitioner a reasonable proportion of the costs that were incurred in providing additional capacity in the relevant sewerage network under a previous requisition within the preceding 12 years.

Improvements to Wastewater Treatment Works cannot form part of a requisition; however we may consider entering into a commercial agreement with you for provision of wastewater treatment works capacity.

2. General Requirements

In order to make an application you must complete the Application Form which is part of this Pack and includes the formal Notice in accordance with Sections 98 – 101 of the WIA91. The Notice also confirms that you will pay our costs in relation to the requisition.

A Requisitioner who requires the provision of a public sewer will have the choice of two payment mechanisms, either the Relevant Deficit Option (known as the Guaranteed Annual Amount Agreement Option) or the Discounted Aggregate Deficit Option (known as the Commuted Sum Option or DAD). These are explained later in Stage D (Offer and Acceptance).

Please note that these two payment options do not apply to a lateral drain requisition which is charged at actual cost.

We are required to provide you with the requisitioned sewer and/or lateral drain within 6 months of the day when the requisition agreement is completed and signed by the parties (and the commuted sum is paid in full if the DAD option was chosen). This day is called the Relevant Day. We will inform you should a period in excess of 6 months be required and this period can be extended by agreement of the parties.

Statutory Notice periods will apply where we are required to lay sewers/lateral drains in highway or private land and these periods will be included in our estimated programme of works.

Once the requisitioned sewer/lateral drain is constructed and commissioned, the public sewer/lateral drain and any associated assets will automatically vest with us. We are then responsible for their future operation and maintenance.

You will need to make a separate application to connect/communicate with the newly requisitioned sewer/drain by using Application Pack 5 – ‘*Connection to a Public Sewer/Lateral Drain*’, for which other charges will be applicable.

Where we propose to construct sewers in land owned by third parties, we will obtain the rights to access, maintain and repair those sewers. In the case of assets other than sewers, (e.g. pumping stations, attenuation tanks, etc) we will also obtain ownership of the land such assets occupy.

In the instance of a surface water sewer or an emergency overflow from a pumping station, consents are required to discharge to a watercourse. Discharge consent required from the Environment Agency, if the watercourse is designated as a “main river”, or if not a “main river”, then from the Land Drainage Authority together with any separate consent(s) from the riparian owners. It is advisable that you obtain these consents before the requisition is progressed.

Please note that we do not have statutory powers to serve land entry notices on certain types of landowners e.g. Crown Land and this may cause a delay.

3. The Requisition Process

The sewer requisition process comprises six stages which are:-

Stage A - Making your Application

Stage B – Preparing an Outline Scheme Solution (OSS)

Stage C – Preparing a Detailed Scheme Solution (DSS)

Stage D - Offer and Acceptance

Stage E – Construction

Stage F – Payment of Final Account

We will manage each of the above stages and at the end of each stage we will discuss the recommendations with you and how you wish to proceed. Should you not progress with the scheme within 3 months of the end of any stage between A and D, the application will be archived and you will be required to pay all of our costs incurred to that date.

In the event that you re-activate the same scheme after it has been archived, you may incur our additional costs for reviewing and up-dating the scheme.

You are able to terminate the process at any time for stages A to D unless you have formally accepted the offer in Stage D.

Stage A - Making your Application

The requisition process starts by you giving us Notice that you require a public sewer and/or lateral drain. This must be done by completing the Notice of Requisition which is included as part of the application form, either by sending it to us on line or via post.

Before you serve notice you must ensure that there is no existing suitable public sewer. Our map of public sewers records the known public sewers but some public sewers and drains may not be recorded in our map of public sewers because they were originally privately owned and were transferred into public ownership by Act of Parliament or Statutory Regulation. The presence of such assets may affect your proposals and you can help us to deal with your proposals by identifying any sewers of which you are aware and which are not shown in the public sewer record. We can assist you to collect the information required but we may charge for this service.

You may also be asked to provide the following information:

- A completed application form (which is available to complete on line or downloadable via our website).
- Proof of land-ownership, legal occupancy or option to buy
- For surface water sewer requisitions anticipated discharge rate from the development
- Discharge consents from riparian owners, Land Drainage Authorities and the Environment Agency as applicable
- Location Plan showing the site boundary, clearly indicating the development (scale 1:1250)
- Site Layout including drainage arrangements within the site (scale 1:500 – our preference is for this to be provided electronically in CAD format)
- Payment of the non-refundable deposit in the sum of £2, 400 (which includes VAT). This deposit will finance the administration of your application and the preparation of the OSS proposal.

In addition, please provide the following if available:

- Site plan indicating point from and to which the requisitioned works are to be constructed
- Planning Application
- Planning Approval, including conditions
- Site Survey
- Utilities Services Drawing

This information will assist us in making an initial assessment and estimate for a proposal. You must note that no construction work will commence on the requisitioned sewer until we have received the Planning Application and Planning Approval, including conditions.

If you require further assistance please contact us at:

Dwr Cymru Welsh Water
Developer Services
PO Box 3146
Cardiff
CF30 0EH
Tel: +44 (0)08009172652
Fax: +44 (0)2920740472
Email: - developer.services @dwrcymru.com

Upon receipt of the application form and any supporting information and non-refundable deposit we will check the documents and contact you should any further information be required.

Stage A will include an initial meeting with you. At this meeting we will explain the requisition process, discuss your scheme in detail, request any required information and the preparation of the OSS proposal for going to Stage B. The proposal for the OSS stage will comprise an outline scope of what we propose the cost and a programme for the completion of the OSS.

To progress the OSS you should forward payment of the cost outlined in the proposal together with any requested information. The payment will be subject to standard rate vat, you can pay the upfront deposit on line, via our telephony system or providing payment in the form of a cheque.

Stage B - Outline Scheme Solution (OSS)

The purpose of the OSS is to collect and review information to enable us to prepare potential solutions, and where these are available to recommend the preferred solution to be taken forward to detailed design.

The OSS stage may include among other things the following activities:

- Data collection and review
- Scheme solution options
- Initial and specialist surveys
- Hydraulic modelling to ensure that we provide the most efficient solution
- Consultation with stakeholders (e.g. Local Authorities, Environment Agency Wales, Countryside Council for Wales etc)

Stage B will conclude with a meeting with you. At this meeting we will discuss with you the Outline Scheme Solution Report, which will contain details of the recommended scheme options and a “high-level” budget estimate of the total costs of those options. An indication of the guaranteed annual amount and commuted sum amount could be provided on request.

Following agreement of the solution we will provide the DSS proposal for going to Stage C which will include a cost estimate and a programme for the completion of the DSS. To progress the DSS you should forward payment of the cost outlined in the DSS proposal.

Stage C - Detailed Scheme Solution (DSS)

The purpose of the DSS is to undertake the detailed design of the scheme and when it is completed to prepare the total estimated cost of the scheme.

The DSS stage may include among other things the following activities:

- Additional data collection
- Detailed and specialist surveys
- Obtaining detailed information from other companies including utility companies
- Land ownership enquiries
- Applying for and obtaining any necessary permissions/consents

On completion of this stage we will meet with you and provide you with the detailed design report which will include a programme and the total estimated scheme cost, which will form the basis of the requisition offer to you. You will have already submitted a build programme as part of the application in order to provide us with the current information about the development which is required for the requisition offer.

Stage D – Offer and Acceptance

WIA91 sets out different payment arrangements for both requisitioned public sewers and lateral drains as now detailed.

Public Sewer Requisition

We will review and assess the information provided by you and then issue you an offer letter, in which we will detail the 2 Funding options available as set out in the WIA91 and the financial amounts for both.

The 2 funding options are:

1) Relevant Deficit Option (Guaranteed Annual Amount Agreement):

With this option, and based on the estimated scheme cost, we will calculate the guaranteed annual amount which is equal to that which we need to receive every year for 12 years in order to recover the capital cost and the annual borrowing costs of a loan required to provide the sewer. In general, the 12 year period will commence on the commissioning date of the sewer.

A legal agreement will be drawn up wherein you agree to reimburse to us on an annual basis for a 12 year period any shortfall between the guaranteed annual amount and the revenue received from the relevant drainage charges from the development in that year. Any shortfall will become due to us from you. In addition you will be required to provide a bond in accordance with our Financial Security Policy. Should you not pay the shortfall amount in any of the 12 years then we will call on the bond for reimbursement of that amount. The provider of the bond must comply with our minimum requirement applicable at the time of the requisition. The costs we incur in setting up the legal agreement will be payable by you.

On completion of the agreement any payments made since the formal Notice of requisition/application was made will be refunded to you. Until the agreement is signed by both parties, we are unable to issue land entry Notices or to commence the scheme.

The actual scheme costs will be calculated approximately 3 months following the commissioning of the sewer. A revised Guaranteed Annual Amount will be calculated based on the actual scheme costs, which will require a revision to the guaranteed annual amount.

After the 12 year period or once the revenue received from the relevant drainage charges exceeds the total guaranteed amount for the 12 year period we will confirm that the Agreement will cease and the bond can be cancelled.

2) Discounted Aggregate Deficit Option (Commuted Sum or DAD):

The Discounted Aggregate Deficit is a commuted sum payable by you which is calculated by taking into account and offsetting the estimated future income which we will receive from the development in the form of relevant drainage charges over a 12 year period, based on occupancy, against the total cost of providing the scheme, including any finance/interest charges (e.g. on a loan taken out to provide the scheme). No bond is required with this option. In general, the 12 year period will commence on the commissioning date of the sewer.

With this option an agreement will be drawn up wherein you agree to reimburse to us the commuted sum value which is re-calculated after the completion of the scheme. This shall be undertaken in two parts as set out below.

- In the first part, a commuted sum amount will be calculated based on the total estimated scheme cost and assessed income from the relevant drainage charges that we will receive from the development based on the future occupancy levels over a 12 year period. This amount is payable before the start of the scheme and completes the agreement which enables us to serve relevant Notices, obtain permits and commence construction. Any payments made since the formal Notice of requisition was served will be taken into consideration at this stage.
- In the second part, there will be a re-calculation of the commuted sum amount based on the actual scheme costs and a re-assessment of the income from the development. This exercise will be carried approximately 3 months after the completion of construction of the sewer and a further payment to us or a refund to you therefore may become due.

Lateral Drain Requisition

The 2 funding options available for public sewer requisitions are not available for lateral drain requisitions. For lateral drains an agreement will be drawn up prior to the commencement of the scheme wherein you agree to provide the necessary security required by us and following the provision of the lateral drain, to reimburse to us the actual costs incurred. Provision of the necessary security will complete the agreement and enable us to issue Notices (if required) and commence the scheme.

Stage E - Construction

Following the signing of the agreement by both parties we will proceed with the construction work, or where required, issue any relevant Notices.

The start of the work on site will be subject to:

- a) Serving Notice on landowner(s) in order to enter upon any private land
- b) Obtaining Highway Authority permission to work in the public highway
- c) Lead in times

You should make due allowance in your programme for us to deal with these issues.

We will advise you of any significant changes to the cost or programme as the scheme progresses. At the end of the construction period, we will inform you when the sewer has been commissioned and is available for use.

You will need to make a separate application to connect/communicate with the requisitioned sewer/drain by using Application Pack 5 – *Connection to a Public Sewer/Lateral Drain*, for which other charges will be applicable.

Stage F - Final Account

Approximately 3 months following commissioning of the sewer/drain, we will calculate the actual scheme costs and recalculate the financial element of your chosen option.

If we have served land entry Notices on owners of private land as part of the requisition then it should be noted that landowners have up to 6 years in which to lodge their claims for compensation and up to 10 years for loss of development value. Accordingly, and where appropriate, we will include a provisional sum in the actual scheme costs and adjust as necessary on settlement of the claims.

Public Sewer Requisition

If the Relevant Deficit (Guaranteed Annual Amount Agreement) option was chosen then a revision to the guaranteed annual amount will be required. If any vat is due, this will be taken into account in assessing the Bond requirements.

If the Discounted Aggregate Deficit (commuted sum or DAD) option was chosen, then in the calculation along with the actual costs, we will also include the projected income from the relevant drainage charges that we will receive based on a re-assessment of the occupancy levels of the development over the 12 year period. This may require a further payment from you or a refund to you. In addition, any payments made since the formal Notice of Requisition was served will be taken into consideration at this stage.

Lateral Drain Requisition

You will need to inform us of the date when the connection to the lateral drain is made.

We will invoice you for the actual costs incurred in providing the lateral drain and upon receipt of payment we will release any security held.

VAT

Depending on the nature of the project, VAT may be added to the whole or part of the charges arising from the Relevant Deficit or Discounted Aggregate Deficit options.

Reinforcement work

Where the requisitioned main serves a wholly new domestic development we will zero rate our charges for construction work, unless we find it necessary to upgrade existing pipe-work or other assets (e.g. pumping stations) to facilitate the development. In this case, we are required to standard rate our charges only in respect of the engineering work performed to upgrade existing assets.

Mixed developments

Where a new housing development includes properties which do not qualify for VAT relief (e.g. are not designed to be dwellings) we are required to charge VAT on the proportion of our charges which relates to those properties. Normally where these properties have a basic water connection we will attribute VAT to our charges by apportioning the number of non-domestic properties relative to the total number of properties included in the development.