

Public sewer or lateral drain connections guidance notes

Section 98 of the Water Industry Act 1991

SEVERN

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WATER

Introduction

A guide to requisitioning a public sewer/lateral drain in the area under Sections 98 to 101 (S98-S101) of the Water Industry Act 1991 (as amended by the Water Act 2003)

This guide to requisitioning a public sewer or lateral drain has been produced to offer practical assistance. Whilst every attempt has been made to take on board the full range of technical and legal issues involved, there may always be particular circumstances which are not accommodated in these guidelines.

Section 1: Requisitionable flows

If a public sewer/lateral drain is not available, then Severn Trent Water (STW) may have a duty to provide one following a requisition enquiry. A public sewer/lateral drain may only be requisitioned for “domestic purposes”. This means the removal of flows from the contents of lavatories, water used for cooking and washing and for the removal of surface water from those premises. “Domestic purposes” does not include the removal of water used for a laundry business or for a business preparing food or drink for consumption otherwise than on the premises.

You may not requisition a public sewer/lateral drain to serve solely trade effluent or highway drainage flows. However, additional capacity can be provided in a public sewer/lateral drain, requisitioned for “domestic purposes”, for trade effluent or highway drainage flows provided that you pay the full cost of providing that additional capacity.

Section 2: Requisitioners

You may serve notice on us to requisition a public sewer for domestic purposes if you are:

- **the owner of land or premises**
- **the occupier of land or premises**
- **a Local Authority, New Town Development Corporation, New Town Commissioner or Urban Development Corporation.**

And if the premises comprise:

- land on which there are already buildings
- land on which there are proposals for buildings.

If you are planning a new development site, then your proposals must have sufficient certainty to enable us to design a project to take the proposed flows. The possession of valid planning permission is generally taken as confirmation of proposals for buildings.

Section 3: Costs

3.1: Payment methods

The financial calculations for a sewer and a lateral drain requisition are described in Sections 99, 100 and 100A of the Act. The methods for a sewer are called the “relevant deficit” and the “discounted aggregate deficit” methods.

“Relevant deficit” method – This method assumes that we take out a loan over a twelve-year period to finance the construction of the requisitioned public sewer. The loan will incur a repayment charge each year, as per a mortgage.

During the twelve-year period, we will receive income, in the form of sewerage charges, from the premises that will be occupied and connected to the requisitioned public sewer. The income we receive will depend on the rate at which the development and occupation of the site takes place together with any changes in our sewerage charges. We also receive income in the form of interest on the deposit, which you will be asked to make.

The interest rate for the annual repayment charge and the interest rate on the deposit are set by the Director General of Water Services (DG). This interest rate will most probably vary throughout the twelve-year period and it is this varying interest rate that will be used to determine the annual repayment charge and income.

The income we receive is offset against the annual repayment charge. If the annual income is less than the annual repayment charge, then there will be a shortfall. This shortfall is known as the relevant deficit. This is the sum you must pay.

We will require you to enter into an agreement with us to guarantee that the relevant deficits will be paid in each of the twelve years. This requires a deposit to be made as security. We reduce the deposit each year in line with the annual repayment charge and annual income.

We review the deposit annually and may make repayments if appropriate. Any deposit left at the end of the twelve-year period will be returned to you. There is a possibility that the deposit may be insufficient to guarantee payment of the relevant deficits over the whole of the twelve-year period. If this were to occur, we will require a further deposit to be made.

“Discounted aggregate deficit” method – With this method, the annual relevant deficits over the twelve-year period are converted to a single NPV payment. The main benefit of this method is that payments are finalised in a few years instead of over the twelve-year period.

The “relevant deficit” method uses the actual number of premises occupied and connected to the requisitioned public sewer each year and the actual income we receive. However, with the “discounted aggregate deficit” method, both the development profile and the resultant income that is based upon our sewerage charges at the date of completion of the requisition agreement, and which is inflated throughout the twelve-year period are fixed at the outset. The interest rate set by the DG is also fixed at the date of completion of the requisition agreement.

With both methods of financing the sewer requisition, the actual costs that we incur in providing the requisitioned public sewer are used in the calculations to determine the final costs you have to pay.

In the case of providing capacity for highway drainage or trade effluent flow, the cost we charge you is based on the proportion of flow basis. For example, if the surface water flow from the adoptable public highways is equal to 30% of the total surface water flow from the whole of the development, then you will be required to pay 30% of the total cost of providing the requisitioned surface water sewer as a lump sum prepayment. The balance of the cost of providing the requisitioned surface water sewer is used in the requisition calculations.

3.2: Alternative payment method

In addition to the above methods of financing the works you may alternatively provide security by means of an indemnity from an approved surety who will be required to enter into the requisition agreement to provide for payment, in the event of a default by you, of the deficit between the annual borrowing cost for providing the requisitionable element of the works and the income to be received from the occupied development (in the case of the “relevant deficit” method), or the discounted aggregate of the 12-year estimated relevant deficits (in the case of the “discounted aggregate deficit” method), and any other payments that are due to us under the terms of the requisition agreement.

3.3: Payment method for a lateral drain

The relevant deficit and discounted aggregate deficit do not apply to lateral drain requisitions.

Section 4: Alternatives to requisitioning

You could construct the sewers/lateral drain yourself provided that you could obtain the necessary rights to do so from any landowners or Highway Authorities (HA) along the route. Any arrangements you make with landowners will be the private business of those landowners and yourself. You should expect landowners to request payment in return for granting you the rights to construct sewers in their land. HA often impose restrictions on working in the road and will apply rules under the New Roads and Street Works Act 1991. You will have to engage a Contractor whose workforce are trained and qualified under that Act.

If you wish to offer the sewer/lateral drain for adoption by STW, under Section 104 (S104) of the Act, you will need to ensure that it is constructed in accordance with the current version of “Sewers for Adoption (SFA) – a design and construction guide for Developers” (easements with off-site landowners containing standard rights and covenants may also need to be concluded). Guidance on the adoption of sewers can be obtained from the appropriate Asset Protection Wastewater office as listed in Appendix A.

Section 5: Actions leading to a requisition agreement

Our New Connections Team will progress your enquiry upon receipt of the completed application form and initial deposit which must accompany it. The initial payment is to procure a preliminary design report and budget estimate. It will initially be evaluated by our Asset Protection Waste Water Team, who manage the sewerage system and who also deal with any sewer/lateral drain you may wish to have adopted. This is to ensure that the flows proposed can be accommodated in the public sewer system. The New Connections Team will also check your submitted sewer/lateral drain requisition application to ensure that you have the right to requisition a public sewer. If it is determined that you can requisition a public sewer/lateral drain, then this will be confirmed to you and The New Connections Team will then proceed with the requisition process.

Before commencing any work on your enquiry, certain basic details must first be established as detailed in “Section 10: Required plans and information” of the *Application for a sewer requisition under Section 98 of the Water Industry Act 1991 (SR1)* application form or Section 10 of the *Application for a lateral drain requisition under Section 98 of the Water industry Act 1991 (LD1)* form, whichever is appropriate.

The New Connections Team will procure a preliminary design, estimate and programme for the requisitioned public sewer/lateral drain without recourse to detailed feasibility, site investigation or detailed design. You will then receive a formal sewer/lateral drain requisition offer based upon that preliminary design.

At this point you may choose to take no further action but should let us know in writing that you do not wish for the requisition to proceed.

If the terms of the offer are acceptable, you will be asked to enter into a requisition agreement with STW based upon the offer letter. If it is a sewer, you will have the opportunity to pay by either the “relevant deficit” method or the “discounted aggregate deficit” method.

We will draw up a requisition agreement, the completion of which will form the contract between us. At this time you will make an interim cash payment under the provision of the agreement to cover the cost of progressing the requisition via the method described below.

Section 6: Method of progressing the requisition

Whichever payment method you choose to progress the requisition, we will provide a detailed design, detailed estimate and programme by the undertaking of technical feasibility works such as detailed topographical surveys, site investigation, location of services and easement negotiations and progress the enquiry up to return of tender stage. At this stage, you will receive an updated works description, estimate and programme which, upon acceptance, will be attached to the requisition agreement as an addendum.

If, at return of tender stage, you decide not to proceed, any surplus from the interim cash payment made will be refunded.

If the surety method of financing the works is not used, then the necessary finances to construct and supervise the requisitioned public sewer/lateral sewer will not be requested until after receipt of priced tenders. At that time, the full amount of the balance due must be paid prior to awarding the contract for the construction of the requisitioned public sewer/lateral sewer.

If, upon receipt of priced tenders, the estimated cost of the project is higher than we have previously estimated, we will inform you of the revised estimated cost and what the balance of your payment is estimated to be. We will not accept the tender until you have confirmed that you still wish to proceed and have paid the full amount of the balance due or, if a surety is used, the surety also agrees to proceed at the higher cost.

Section 7: Downstream improvements

STW is responsible for selecting the route, outfall arrangements, and specification for the requisitioned public sewer/lateral drain. If existing downstream public sewers need to be improved in order for them to accept the proposed flows from your site, then the necessary improvements to those existing public sewers will also form part of the requisitioned works.

If the receiving public sewer was constructed under a requisition agreement during the previous twelve years and was oversized by STW to provide additional capacity for your current site, then the cost which STW incurred in providing that earlier additional capacity will also be included in the calculations of the cost of your sewer requisition.

Section 8: Discharges to watercourses and canals

Sewerage Undertakers do not have the right to discharge surface water to open bodies of water without the riparian landowner's permission. Consequently we will need to negotiate a deed of grant of easement for this type of discharge. This is likely to affect the estimate and programme for the requisitioned works because contracts will not be let until such time as appropriate rights in perpetuity have been obtained.

Section 9: Sustainable Urban Drainage Systems (SUDS)

Sustainable urban drainage systems (SUDS) are a series of techniques which attempt to mirror nature when managing surface water run-off from developed areas and reduce the impact on the environment. In this regard, STW has stated that:

"STW Ltd, as environmental leaders, fully supports the concept of SUDS. We believe that, subject to proper design and maintenance provisions, appropriate SUDS techniques in conjunction to traditional approaches to urban drainage offer real opportunities to reduce the impact of urban drainage on the environment.

We recognise, though, that the different techniques involved can vary in their effectiveness, depending in part on local conditions. On occasions complex issues relating to ownership and future liability have to be resolved.

The successful implementation of SUDS can only be realised if all stakeholders approach the issue with real commitment. It will also need further guidance and legislation from Government and Regulators on some of the practical, legal and financial issues involved.

We will play an active role in facilitating this process and developing practicable guidelines for the future. In the interim, we are carrying out a review of best practice in this area in order to further develop our own company policy and are prepared to consider each scheme on its merits.”

Section 10: Design and construction

Once a public sewer/lateral drain has been requisitioned, we are responsible for its provision in accordance with the Act. This means those legal and administrative arrangements for its design and construction must comply with the Act. Any arrangements or negotiations with Highway Authorities, other utilities, landowners and other customers are also our responsibility. For these reasons, we retain control of the design and construction of the requisition project.

Sewer/lateral drain requisition projects generally follow the same procedures as any other sewerage project in our capital works programme. This includes our normal procurement methods. We will offer you the opportunity to nominate either yourselves or a Contractor of your choice for consideration for inclusion on the select tender list. Any such nomination will be subject to, and will need to satisfy, our normal technical and financial requirements. Sewer requisition projects are also subject to our normal financial regulations and formal procedures.

The requisitioned public sewers/lateral drain will be constructed using our statutory powers. This may involve the serving of notice to enter the land through which the requisitioned public sewer/lateral drain is to be laid, in accordance with the provisions of Section 159 (S159) of the Act.

Section 11: Time periods

Under the Act, the requisitioned public sewer/lateral drain must be available for use within six months of:

- **the day on which the financial conditions are met**
- **the day on which the places of connection are agreed or determined**

whichever is the latter. This period may be extended by agreement, or where there is a dispute, by the DG. In certain circumstances, it may not be possible to complete the requisitioned public sewer/lateral drain within the six-month period. This may be because:

- **major construction works are required in which case it may not be physically possible to complete the requisitioned public sewer/lateral drain within the six month period**
- **works are required in land in the ownership of undertakings protected under the Act. Such undertakings include British Waterways Board, Network Rail etc. and agreement is required with them prior to our entry upon their land**
- **land, not in the ownership of the requisitioner, needs to be purchased for elements such as pumping stations.**

In such cases, our extended programme will be stated in our formal offer letter. If you wish, we will discuss the programme with you so that you are fully satisfied before completing the requisition agreement.

Section 12: Final costs

Although there is no specific legal requirement to keep you informed of costs, we will do our best to tell you, as soon as possible, if our estimate of final costs is likely to exceed the amount quoted in the requisition agreement. The final recalculation of the cost of the sewer/lateral drain requisition project cannot be carried out until all costs are known. The project could continue for a number of years after completion of the works. This is because:

- **the owners of affected businesses along the route of the requisitioned public sewer/lateral drain have up to six years in which to lodge a claim for losses incurred as a result of the sewer/lateral drain construction works**
- **the owners of land through which the requisitioned public sewer/lateral drain passes can claim compensation negotiations can, however, sometimes take several years to resolve**
- **the final account with the Contractor will not be settled until repairs to any faulty workmanship have been completed**
- **other service utilities may delay sending in their bills for any diversions of their pipes or cables**
- **there is usually a minimum three-year warranty period on any reinstatement work for highway surfaces.**

Until all matters are resolved, final costs cannot be determined.

We will, however, attempt to provide you with an estimated final cost of the project within six months of commissioning the requisitioned sewerage works.

Section 13: Complaints

13.1: What to do if you are unhappy about the service you have received

If you feel your initial enquiry has not been properly answered or you still have a problem which our staff cannot resolve, please telephone, email or write to our Duty Manager. If you are still not satisfied, you can have your enquiry reviewed by our Customer Service Team. Please write to:

Severn Trent Water Limited,
Severn Trent Centre,
PO Box 5309,
Coventry
CV3 9FH.
Telephone: 03457 500 500
email: customer.relations@severntrent.co.uk

13.2: Taking the process further

If you have had your complaint fully reviewed by us and you remain dissatisfied, you can ask for an independent review by calling the Consumer Council for Water Central (CCWater Central) on 08457 023 953 (local call rates) or 0121 345 1017 or:

Consumer Council for Water Central
1st Floor
Victoria Square House
Victoria Square
Birmingham
B2 4DL
or via email to: central@ccwater.org.uk
or via their website on: www.ccwater.org.uk

If you are unhappy with the way in which your complaint has been handled locally, the Consumer Council for Water (CCWater) also based at Victoria Square House will consider matters. The CCWater will advise customers about the dispute resolution powers that Ofwat may have regarding their complaint. Ofwat can be contacted by writing to the following address:

Ofwat
Centre City Tower
7 Hill Street
Birmingham
B5 4UA
or by telephone: 0121 644 7500

Section 14: Applying for sewer/lateral drain requisition

If you wish to requisition a public sewer, you should complete application form *Application for a Sewer requisition under section 98 of the Water Industry Act 1991 (SR1)*, if you wish to requisition a lateral drain you should complete application form *Application for a lateral drain requisition under section 98 of the Water industry Act 1991 (LD1)*, both of which can be obtained from our Asset Protection offices shown below, or from our website www.stwater/newconnections and return it to:

Severn Trent Water Ltd
New Connections
PO Box 5311
Coventry
CV3 9FL
Telephone: 0800 797 6600

Appendix A

The Asset Protection Wastewater offices for general sewerage enquiries are as follows:

Severn Trent Water Ltd Asset Protection Wastewater East Leicester Water Centre Gorse Hill Anstey Leicester LE7 7GU Telephone: 0116 234 3834 Fax: 0116 234 3035 Email: net.dev.east@severntrent.co.uk	Areas covered by this office includes the following district council areas:	
	Amber Valley	Melton
	Ashfield	Newark and Sherwood
	Bassetlaw	North East Derbyshire
	Blaby	North Kesteven
	Bolsover	North Lincolnshire
	Broxtowe	North Warwickshire
	Charnwood	North West Leicestershire
	Cherwell	Nottingham
	Coventry	Nuneaton
	Daventry	Oadby and Wigston
	Derby	Rotherham
	Derbyshire Dales	Rugby
	Doncaster	Rushcliffe
	Erewash	Rutland
	Gedling	Sheffield
	Harborough	South Derbyshire
	High Peak	South Kesteven
	Hinckley and Bosworth	Stratford on Avon
	Leicester	Warwick
Mansfield	West Lindsey	

Severn Trent Water Ltd Asset Protection Wastewater West Regis Road Tettenhall Wolverhampton WV6 8RU Telephone: 01902 793871 Fax: 01902 793971 Email: net.dev.west@severntrent.co.uk	Areas covered by this office includes the following district council areas:	
	Birmingham	Sandwell
	Bridgnorth	Shrewsbury and Atcham
	Bromsgrove	Solihull
	Cannock Chase	South Herefordshire
	Cheltenham	South Shropshire
	Clwyd	South Staffordshire
	Cotswold	Stafford
	Dudley	Staffordshire Moorlands
	East Staffordshire	Stoke on Trent
	Forest of Dean	Stroud
	Gloucester	Tamworth
	Leominster	Telford and Wrekin
	Lichfield	Tewksbury
	Malvern	Walsall
	Newcastle under Lyme	Wolverhampton
	North Shropshire	Worcester
	Oswestry	Wrexham
	Powys	Wychavon
	Radnor	Wyre Forest
Redditch	West Lindsey	