

Guide to sewer requisitions

Section 98

This document provides information on how to requisition a public sewer through third party land, under Sections 98 to 101 of the Water Industry Act 1991.

1.0 Sewer requisition process

1.1 The application

The applicant must complete in full a S98 **application form**. This should be completed in full and returned along with the requested supporting documents.

We will review the application for completeness within five calendar days of receipt and the applicant will be advised if any additional information is required.

We will also advise the applicant of any details on the submission that do not meet our requirements. It is the applicant's responsibility to amend their design to meet our specifications before we will progress the estimate.

The applicant can request that United Utilities design the sewer requisition. In this instance they should contact the Wastewater Developer Services and Planning Team to discuss.

We will agree with you a date by which you will receive an estimate for the cost of the sewer requisition. Once we provide the estimate please note it will be valid for 3 months only.

The applicant must enter into a S98 Agreement with United Utilities as part of the conditions for permission to requisition a new sewer/lateral drain.

Once the S98 agreement is signed and we have received payments we will agree with you the start on site and completion dates.

1.2 Legal agreements

Before any requisition works can begin we must have written confirmation that the applicant wishes to proceed with the requisition; together with a signed and completed S98 Agreement and cheque in respect of the relevant security.

Once the S98 Agreement has been signed, a legal Section 159 Notice has to be issued to all affected landowners. If the landowner objects to the S159 notice and all reasonable endeavors fail to reach an outcome we will then need to pursue a Magistrates Warrant. If this is the case this will affect delivery timescales. And further discussions and agreements with yourselves will be required.

1.3 Time periods

Requisition works cannot begin on site until:

- the S98 Agreement has been completed and payments received.
- the Section 159 Notice has been issued and the statutory period has passed.
- a "landowner compensation payment" has been paid (see Section 3.0, Costs)

Under the Water Industry Act 1991, the requisitioned public sewer must be available for use within 6 months of the legal agreement being signed.

There are certain circumstances where this 6 month period may be extended by agreement between us and the requesting party:

- Major construction works are required which make it physically impossible to complete the requisitioned public sewer within the 6 month period.
- If works are required in land in the ownership of undertakings protected under the Act. For example British Waterways Board, Network Rail then an agreement will be 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.

For further information



unitedutilities.com/builders-developers
WastewaterDeveloperServices@uuplc.co.uk



United Utilities Developer Services and Planning Team,
Warrington North Wastewater Treatment Works,
Barnard Street Off Old Liverpool Road,
Gatewarth Industrial Estate,
Warrington WA5 1DS.

1.4 Ownership of the requisitioned sewer

As soon as United Utilities has completed the requisition works, the pipework will immediately be deemed adopted i.e. it will become the property of United Utilities Water Limited.

2.0 General information

Anyone with a legal interest in land may apply for a sewer requisition to drain a new development, but as a minimum they must have been granted outline planning permission for the proposed development.

The requesting party may serve notice on United Utilities under Section 98 of the Water Industry Act 1991, to lay a sewer or lateral drain to serve their site. Where such notice is considered reasonable, we will consent to this request.

To secure the performance and longevity of the requisitioned sewer, we will ensure that any works related to the requisition are carried out to our high standards; both in terms of design and construction.

The requesting party will be liable to us for our reasonable costs and expenses incurred when carrying out the requisition.

Sewers can normally only be requisitioned for domestic purposes, either to serve a new development or as a first time service to existing properties and are constructed as public sewers or lateral drains by United Utilities.

2.1 Industrial use

The Water Industry Act 1991 does not allow sewers to be requisitioned for non-domestic purposes.

2.1.1. Industrial use - foul

The requesting party can requisition a foul sewer to serve an industrial complex if the only discharge to this sewer is from canteens, ablution blocks etc.

A sewer cannot be requisitioned to serve trade discharges.

2.1.2. Industrial use – surface water and highway drainage

A surface water sewer may be requisitioned if it serves the domestic part of an industrial complex e.g. rainwater run-off from canteen roof or from the drives and yards that serve this type of premise.

A surface water sewer cannot be requisitioned to serve the main industrial complex or for associated highways.

2.2 Discharging to a water course/consents

If the works involve constructing a new outfall to a watercourse, the requesting party is responsible for obtaining appropriate approval to construct the outfall structure along with any necessary drainage discharge consents.

The requisitioned sewer can only discharge to a watercourse if the requesting party has the agreement of the riparian owner.

When a requisitioned sewer discharges to a watercourse, the landowner must also enter into a S98 Agreement which protects our right of access and our continued right of discharge to the watercourse.

2.3 Planning for the future - additional capacity for future development

In accordance with Section 112 of the Water Industry Act 1991, we may request the size of the requisitioned sewer(s) is increased to

meet additional future demand for drainage e.g. to serve future developments in the area. In these cases, we will meet the 'extra over' construction costs resulting from constructing the larger sewer(s).

The 'extra over' costs will be expressed as a percentage of the total estimated cost of the scheme and the necessary agreement prepared on that basis (for more information see section 3.0, Costs).

It is possible that we may recover the 'extra over' costs from a future developer who uses the extra capacity.

3.0 Costs

The requesting party is liable for 100% of the total cost of the works.

The requesting party will be kept informed of any changes to the estimated costs throughout the project e.g. increased construction costs.

The final costs for a newly constructed sewer are often not known until some time after construction is complete e.g. costs relating to outstanding work and compensation claims. Once the final cost is calculated, a statement will be issued to the requesting party.

Other legitimate expenses which may be added to the accepted construction cost include; design and supervision, site investigation, service diversions, land access, easement and discharge consents, surveying costs, legal costs, compensation and administration.

When constructing pipework through third party land, the landowner is entitled to compensation. The requesting party is liable for these costs and United Utilities will liaise with the landowner to agree the level of compensation to be paid.

The compensation payment is calculated on depth, diameter and length of pipe. Other factors are also taken into account such as existing land use, loss of earnings etc. The exact cost can only be confirmed once all claims have been received.

3.1 Calculating the cost of a sewer requisition

The total cost of providing a new requisitioned sewer is made up of a number of components:

- Requisitionable costs
- Financing charges
- Interest
- Compensation payment to third party landowner
- United Utilities fees for legal costs, land and valuation etc.
- Non-Requisitionable costs such as highway drainage and trade effluent.

Requisitionable costs include the construction costs of the new sewer and the associated design, supervision and management costs. The requisitionable costs can be met by either of the two payment options (see Section 4, Payment Options).

Highway drainage costs cover the proportion of the capital cost of the sewer attributable to highway drainage. These costs cannot be requisitioned and so must be paid as a lump sum on the completion of construction.

Financing charge - the interest charged on capital expenditure from the date the expenditure is incurred to the date of the first payment under the requisition agreement.

Interest - charged on requisition payments that have been invoiced and not paid by the due date.

3.2 Security

The value of the security is calculated as the estimated total cost of the works. This will be reviewed after the tender acceptance stage of the project.

Security may be provided in either of two ways;

- As a cash payment equal to the commuted sum value (see section 4.2). United Utilities will pay interest on this amount at a rate determined by OFWAT at the time the deposit is received.
- By issue to United Utilities of a performance bond drawn on an approved bondsman, again based on the commuted sum value.

Once a requisition has become economic, the bond (if applicable) will be cancelled providing all other invoices have been paid.

4.0 Payment options

Construction costs for a requisitioned sewer can be paid in either of two ways:

- Twelve year repayment agreement
- Commuted sum

4.1 Twelve year repayment agreement

Payments under a twelve year agreement are based on annual repayments of the capital cost of the work, less the sewerage charges payable each year for the new properties built and connected.

The annual repayment instalments are calculated by taking the final cost of the requisitionable works and multiplying it by an annuity factor for repayment of a loan over twelve years (based on an interest rate notified by OFWAT). The annuity factor and interest rate are those which apply at the date of the agreement.

The sewerage charges payable from the properties served by the new sewer will be calculated from three elements; the standing charge, the surface water highway drainage charges and the volumetric charge.

If the income from the sewerage charges for the new properties exceeds the annual repayment instalments in any one year, the requisition is economic and United Utilities will make no further charges to the requisitioner.

If the annual repayment instalment exceeds the annual sewerage charges payable, the difference (annual deficit) is payable to United Utilities.

4.1.1. When are the repayments due?

The annual deficit is payable annually on 31st March each year, however:

- The first payment will be calculated on the number of full months between completion of construction and the following 31st March.
- The 13th payment will be calculated on the number of full months in the period between the previous 31st March and the twelfth anniversary of completion.

4.2 Commuted sum

United Utilities may offer an alternative option to the twelve year agreement; a commuted sum. This is a one-off lump sum payment.

The commuted sum is based on the present day value of projected future payments under a twelve year requisition agreement.

The projected payments under an agreement are estimated by calculating the annual loan repayments and the annual income from sewerage charges.

Loan repayments are calculated from the capital cost of the works and the appropriate annuity factor as notified by OFWAT.

We may offer to commute an agreement at any time and it is the requesting party's choice to accept or decline the option of a commuted sum.

If this option is taken, the requesting party's legal obligation to United Utilities ends on payment.



About us

United Utilities is the North West's water company. We keep the taps flowing and toilets flushing for seven million customers every day. From Crewe to Carlisle, we work hard behind the scenes to help your life flow smoothly.