

4.9.4 Water Quality and Groundwater Discharges

The proposed permit categories and baseline charges for water quality and groundwater discharges can be found in the tables of charges in the schedule to the charging scheme. Charges relating to permitting applications are in Part 1.3 of the application charges table; annual compliance charges are found in Part 2.3 of the subsistence charges table.

The proposals represent a substantial simplification and modernisation of charging for water discharges which will be much better for charge payers. The previous system hasn't changed substantially since 1992.

Charge payers will pay a fair (higher) share of the work that is needed to underpin the on-going acceptability of the discharges and permits – particularly work on environmental monitoring and planning – previously funded by taxpayers. Some £7million of costs currently funded by central government must now be recovered from permit holders to ensure that we fully recover our costs from those we regulate.

The proposed charging system will replace the existing calculation in the Charges for Discharge (CfD) scheme introduced in 1992, and will generate charges for specific discharge types that reflect the cost of our regulatory effort. CfD is based on multiplying together factors relating to the receiving environment, the volume of the discharge, and the content of it, to arrive at a charge, then where appropriate applying various exceptions and reductions to discount that charge.

We have now identified eight different types of discharges, these are:

1. Sewage
2. Intermittent sewage
3. Trade effluent and non-sewage
4. Rainfall related
5. Aquaculture
6. Cooling water
7. Non-exempt thermal
8. Groundwater activities (liquid discharges and solid deposits).

These discharges have been split into charge categories based upon the nature, volume of discharge as well as typical regulatory activities we complete for a site. We have used this in developing the proposed charges to achieve full cost recovery of our application and annual compliance effort.

Broadly speaking the amount of work we do increases with the scale of an activity and what the discharge contains. The need for in depth assessments in some cases has been taken into account in the development of the new baseline subsistence charges

Those customers who are part of operator self-monitoring (OSM) will no longer receive a separate discount as occurred under CfD. Under our new scheme, OSM is included in the baseline charge.

The two existing application charges of £125 or £885 substantially under-recovered the costs of processing applications. We propose that these will be replaced by the new baseline application charges for each activity.

Variations will be charged as given in section 4.3.2, with the exception of domestic discharges of less than five cubic metres where the variation will remain as £125. Variations that require Event Duration Monitoring delivered under nationally negotiated AMP agreements for water and sewerage companies, these more straightforward variations will be charged at £903.

We do not propose to increase the application fee of £125, nor to charge an annual subsistence fee for discharges of sewage effluent where the maximum daily volume of discharge authorised by the permit is five cubic metres or less and the permit holder is a domestic householder or organisations and entities that operate for charitable purposes. Minimal charges will fall on householders. Further decisions can now be taken about the level of regulation and taxpayer funding devoted to these discharges.

For water and sewerage companies we have proposed to phase the AMP6 EDM permitting workload across AMP6 and AMP7 to smooth the cost of introducing charges for these variations and to reduce permitting workload pressures. Details are to be confirmed by separate agreement.