



Reasonable Cost Contributions: Non-dwellings

for 1st April 2017 to 31st March 2018

To support household, commercial and industrial development in Scotland, Scottish Water has a duty to extend its network, provided the costs of doing that are reasonable. The regime requires Scottish Water to meet all the costs of providing additional capacity to meet the needs of households and the domestic needs of business and industry at Part 4 assets - sources and treatment works and water treatment works. The Reasonable Cost Regulations prescribe the maximum contribution that Scottish Water should make towards the costs of providing new or enhancing existing water mains or sewers for household, commercial and industrial developments.

The 2017-18 maximum reasonable cost contributions Scottish Water will provide for non-dwellings are;

Water:

Employee (fte) Lower Range	Employee (fte) Upper Range*	Toilets only (£)	Toilets & Showers (£)	Toilets & Canteen (£)	Toilets & Canteen & Showers (£)
0	20	243	343	491	586
20	50	856	1,199	1,711	2,054
50	100	1,833	2,567	3,666	4,400
100	200	3,666	5,129	7,331	8,795
200	300	6,107	8,552	12,217	14,658
300	400	8,552	11,970	17,104	20,522
400	500	10,993	15,392	21,990	26,385
500	750	15,271	21,377	30,537	36,648
750	1000	21,377	29,929	42,755	51,306
1000	1250	27,484	38,476	54,968	65,965
1250	1500	33,590	47,028	67,185	80,623

Waste water (sewerage):

Employee (fte) Lower Range	Employee (fte) Upper Range*	Toilets only (£)	Toilets & Showers (£)	Toilets & Canteen (£)	Toilets & Canteen & Showers (£)
0	20	269	380	543	649
20	50	947	1,327	1,895	2,275
50	100	2,029	2,842	4,059	4,871
100	200	4,059	5,679	8,117	9,738
200	300	6,761	9,469	13,527	16,230
300	400	9,469	13,253	18,937	22,722
400	500	12,171	17,043	24,347	29,214
500	750	16,908	23,669	33,811	40,577
750	1000	23,669	33,138	47,339	56,807
1000	1250	30,431	42,602	60,861	73,037
1250	1500	37,192	52,070	74,388	89,267



These values are calculated using the formulas and water usage set out in the Provision of Water and Sewerage Services (Reasonable Cost) (Scotland) Regulations 2015. The formulas for non-dwellings are shown below, along-side the calculation for 2017-18 using water usage of 1m³.

Water:

$$Amount = \frac{U_{cw} \times V_{dom}}{r} \left[1 - \left(\frac{1}{1+r} \right)^6 \right] \quad \pounds 4.34 = \frac{\pounds 0.8151 \times 1}{3.50\%} \left[1 - \left(\frac{1}{1+3.50\%} \right)^6 \right]$$

where—

“U_{cw}” is the predicted average amount that water services providers are to be charged by Scottish Water per cubic metre of water supplied during the connection year, calculated using the formula set out in Appendix 1; and

“V_{dom}” is the relevant figure (expressed in cubic metres per annum) in the table in Schedule 2 which corresponds to the maximum number of persons to be employed at the building (or, as the case may be, the part of it) in question at any point in the connection year and to whether that building (or that part of it) has a toilet, shower or canteen (or a combination of these).

Waste water:

$$Amount = \frac{U_{cs} \times V_{dom} \times 0.95}{r} \left[1 - \left(\frac{1}{1+r} \right)^6 \right] \quad \pounds 4.81 = \frac{\pounds 0.9500 \times 1 \times 0.95}{3.50\%} \left[1 - \left(\frac{1}{1+3.50\%} \right)^6 \right]$$

where—

“U_{cs}” is the predicted average amount that waste water services providers are to be charged by Scottish Water per cubic metre of sewage disposed of during the connection year, calculated using the formula set out in Appendix 1; and

“V_{dom}” is the relevant figure (expressed in cubic metres per annum) in the table in Schedule 2 which corresponds to the maximum number of persons to be employed at the premises (or, as the case may be, the part of them) in question at any point in the connection year and to whether that premises (or that part of them) has a toilet, shower or canteen (or a combination of these).

The water usage set out in the Provision of Water and Sewerage Services (Reasonable Cost) (Scotland) Regulations 2015 is included in Appendix 2.



Appendix 1 – Ucw & Ucs

The following is the formula for the variable “Ucw” described above and the 2017-18 calculation.

$$U_{cw} = \frac{C_{aw} + C_{vw}}{V_w} \quad \text{£0.8151} = \frac{\text{£11,126,696} + \text{£83,421,746}}{115,998,651\text{m}^3}$$

where—

“Caw” is the total of the meter-based annual (standing) charges that Scottish Water would have demanded from water services providers for or in connection with the supply of water to eligible premises (that were charged on a metered basis) in the reference year if those charges had instead been demanded in accordance with the corresponding current charge;

“Cvw” is the total of the volumetric (non-standing) charges that Scottish Water would have demanded from water services providers for or in connection with the supply of water to eligible premises (that were charged on a metered basis) in the reference year if those charges had instead been demanded in accordance with the corresponding current charge; and

“Vw” is the total volume of water (in cubic metres) supplied by Scottish Water to eligible premises (that were charged on a metered basis) in the reference year (pursuant to arrangements made by water services providers under section 6(1)(b) of the 2005 Act).

The following is the formula for the variable “Ucs” described above and the 2017-18 calculation.

$$U_{cs} = \frac{C_{as} + C_{vs}}{V_s} \quad \text{£0.9500} = \frac{\text{£5,867,254} + \text{£42,096,307}}{50,489,513\text{m}^3}$$

where—

“Cas” is the total of the meter-based annual (standing) charges that Scottish Water would have demanded from waste water services providers for or in connection with the provision of waste water to, or the disposal of sewage from, eligible premises in the reference year if those charges had instead been demanded in accordance with the corresponding current charge;

“Cvs” is the total of the volumetric (non-standing) charges that Scottish Water would have demanded from waste water services providers for or in connection with the provision of waste water to, or the disposal of sewage from, eligible premises in the reference year if those charges had instead been demanded in accordance with the corresponding current charge; and

“Vs” is the total volume of sewage (in cubic metres) disposed of by Scottish Water from eligible premises in the reference year (pursuant to arrangements made by waste water services providers under section 6(3)(b) of the 2005 Act).



Appendix 2 – Water Usage

Maximum number of persons to be employed at the building (or the part of it) or, as the case may be, the premises (or the part of them) in question at any point in the connection year	Figure ⁽¹⁾ for the building (or the part of it) or, as the case may be, the premises (or the part of them) in question with:			
	A toilet but no shower or canteen	A toilet and a shower but no canteen	A toilet and a canteen but no shower	A toilet, a shower and a canteen
0 - 20	56	79	113	135
21 - 50	197	276	394	473
51 - 100	422	591	844	1,013
101 - 200	844	1,181	1,688	2,025
201 - 300	1,406	1,969	2,813	3,375
301 - 400	1,969	2,756	3,938	4,725
401 - 500	2,531	3,544	5,063	6,075
501 - 750	3,516	4,922	7,031	8,438
751 - 1000	4,922	6,891	9,844	11,813
1001 - 1250	6,328	8,859	12,656	15,188
1251 - 1500	7,734 ⁽²⁾	10,828 ⁽²⁾	15,469 ⁽²⁾	18,563 ⁽²⁾

(1) The figures given are in cubic metres per annum.

(2) If the number of persons exceeds 1,500, the figure is this value plus the amount in the corresponding column below, plus the same amount for every 250 persons in excess of 1,501—

1,406	1,969	2,813	3,375
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