

Chapter 32a

Financial measures

Sewerage service; Base service maintenance expenditure data for capital maintenance econometrics (Current Cost Accounting)

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(Current Cost Accounting)

This table has four blocks and a total of 48 lines (many of which will not be relevant). It covers the expenditure at sub-regional level for the renewal or replacement of sewerage assets (infrastructure and non-infrastructure), sewage treatment assets and sludge treatment and disposal assets for the purpose of maintaining base service. The purpose of table 32a is to extend the sub-regional expenditure data collected to date for capital maintenance econometric modelling.

Guidance

The company is required to submit expenditure information in report year prices, using the same geographical areas as those used for the Capital Maintenance return. These areas should conform to the following criteria:

- areas must be based on the operating units by which a company's region is managed;
- the connected (resident) population of each area should be between 150,000 and 1,500,000;
- each area should form a single geographical unit with a contiguous boundary (i.e. geographically separated areas should not be combined for reporting purposes); and
- the areas must cover the whole of the company's region.

No negative entries should be made for expenditure. If there are please explain this, and if necessary reallocate expenditure ensuring consistency with table 32 is maintained.

The company should also provide data relating to services provided by its PPP wastewater contractors. These data should be included in both the existing table and the separate PPP table as indicated.

Grants and capital contributions

The position with respect to grants and capital contributions is as follows:

- Base service provision - non-infrastructure. Gross of grants and capital contributions; and
- Base service provision - infrastructure renewals. Net of grants and capital contributions.

Company commentary

The company must explain the methods used to report costs for these areas, setting out clearly any allocation rules used. The company must reveal any assumptions made in arriving at cost information.

Guidance to the Reporter

Commentary is required on proportional allocation of expenditure as indicated in guidelines for tables 35 and 36:

The reporter should:

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- confirm that the company has set rules for proportional allocation of expenditure, and that these are reasonable and are followed for project expenditure above the ranges given in the general guidance for the company;
- indicate the extent to which the company has used proportional allocation versus prime purpose allocation;

Table 32a line definitions

A SEWERAGE INFRASTRUCTURE

1 - 11	Sewerage infrastructure	£m	3dp
Definition	<p>The preservation and (where necessary) the replacement of sewerage infrastructure assets to maintain serviceability. Infrastructure Renewals Expenditure recorded should be reported net of grants and contributions.</p> <p>Sewerage infrastructure assets include all foul water, combined, relevant surface water and former Section 24 sewers including interceptor sewers, manholes, overflows, tank sewers, siphons and sewage pumping mains.</p>		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input		
Responsibility	Network Regulation Team		

12	Total	£m	3dp
Definition	The total cost of the preservation and (where necessary) the replacement of sewerage infrastructure assets to maintain serviceability.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Calculated: sum of lines 1 to 11. Line 12 should equal the value entered in table 32, line 24, column 4.		
Responsibility	Network Regulation Team		

B SEWERAGE NON INFRASTRUCTURE

13 - 23	Sewerage non-infrastructure	£m	3dp
Definition	<p>The preservation and (where necessary) the replacement of sewerage non-infrastructure assets to maintain serviceability.</p> <p>Sewerage non-infrastructure assets include all pumping stations associated with the sewerage system but exclude all terminal pumping stations.</p>		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input		
Responsibility	Network Regulation Team		

24	Total	£m	3dp
Definition	The total cost of the preservation and (where necessary) the replacement of sewerage non-infrastructure assets to maintain serviceability.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Calculated: sum of lines 13 to 23. Line 24 should equal the sum of the values entered in table 32, line 24, column 5 and table 32, line 29, column 6.		

Responsibility	Network Regulation Team

C SEWAGE TREATMENT

25 - 35	Sewage treatment	£m	3dp
Definition	<p>The preservation and (where necessary) the replacement of sewage treatment assets to maintain serviceability. Infrastructure Renewals Expenditure recorded in this line should be reported net of grants and contributions. Sewage treatment assets include all sea outfalls and headworks, all sewage treatment works and all terminal pumping stations.</p> <p>Sea outfalls are all pipelines used for the disposal of foul and surface water and sewage effluent to the marine environment. Sea outfalls include the length of pipeline below the spring tide high water mark, with the section of pipeline above the spring tide high water mark being included within the Sewers category.</p> <p>Sewage treatment works are all sewage treatment works with one or more treatment stages including preliminary, primary, secondary and tertiary treatment. Any interstage pumping facilities and sludge holding tanks with provision for dewatering are to be included. Any sludge facilities other than holding tanks to be included under Sludge treatment.</p> <p>Terminal pumping stations includes all terminal and storm pumping stations, including terminal stations on sewage treatment works sites, but excluding interstage pumping within treatment works.</p>		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input		
Responsibility	Network Regulation Team		

36	Total	£m	3dp
Definition	The total cost of the preservation and (where necessary) the replacement of sewage treatment assets to maintain serviceability.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Calculated: sum of lines 25 to 35. Line 36 should equal the sum of the values calculated in table 32, lines 25 to 26, column 6 and table 32, line 30, column 6.		
Responsibility	Network Regulation Team		

D SLUDGE TREATMENT AND DISPOSAL

37- 47	Sludge treatment and disposal	£m	3dp
Definition	<p>The preservation and (where necessary) the replacement of sludge treatment and disposal assets to maintain serviceability. Infrastructure Renewals Expenditure recorded in this line should be reported net of grants and contributions.</p> <p>Sludge treatment and disposal assets include all sludge treatment works and all sludge disposal assets.</p> <p>Sludge treatment assets are all sludge treatment plant that changes the nature of the raw sludge prior to its final disposal, excluding sludge holding tanks included under Sewage treatment works.</p> <p>Sludge disposal assets are all plant and transfer arrangements associated with the final disposal of treated sludge including long and short sludge sea outfalls. Sludge disposal vehicles are included as Management and General.</p>		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Input		
Responsibility	Network Regulation Team		

48	Total	£m	3dp
Definition	The total cost of the preservation and (where necessary) the replacement of sludge treatment and disposal assets to maintain serviceability.		
Primary Purpose	Informing relative performance and efficiency assessments.		
Processing rule	Calculated: sum of lines 37 to 47. Line 47 should equal the sum of table 32, lines 27 to 28, column 6.		
Responsibility	Network Regulation Team		

CHANGE CONTROL SHEET
CHAPTER 32a

2008/1.0	First issue of chapter for the SBP period