



SCOTTISH ENVIRONMENT PROTECTION AGENCY

Reservoirs Charging Scheme Guidance

The Reservoirs (Scotland) Charging Scheme 2016-2018

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1 Introduction

The purpose of this guidance is to provide further detail, explanation and clarification where required on *The Reservoirs (Scotland) Charging Scheme 2016-2018*.

This guidance should therefore be read in conjunction with the above charging scheme document. Note that this replaces previous guidance on the Reservoirs (Scotland) Charging Scheme 2015-2018 which has been superseded.

Charges for controlled reservoirs are applied under relevant legislation namely the Reservoirs (Scotland) Act 2011 (the 2011 Act) and associated regulations (the Reservoirs (Scotland) Regulations 2016). These charges can be categorised as follows:

Under Section 14 of the 2011 Act

- i) Registration fee;
- ii) Annual subsistence fee

Under Section 23 of the 2011 Act

- iii) Application fee for review of SEPA risk designation

Each of these fees is described in more detail in the following sections of the guidance.

2 Registration fee

In Scotland, the 2011 Act is replacing the Reservoirs Act 1975 (the 1975 Act) as the regulatory regime for reservoir safety. The 2011 Act is being implemented through a phased approach with reservoirs having a capacity over 25,000 cubic metres above the natural level of the surrounding land brought under the new regime from 2015 onwards and smaller reservoirs with capacity between 10,000 and 25,000 cubic metres to be included at a later date.

Under relevant sections of the 2011 Act now in force, it is a legal requirement for controlled reservoirs capable of holding more than 25,000 cubic metres of water to be registered with SEPA. For existing reservoirs covered by the 1975 Act the prescribed 6 month free registration period ran from 1 April – 30 September 2015.

Under the charging scheme, a registration fee applies to any such new structures or areas greater than 25,000 cubic metres which become controlled reservoirs, and to any late registration of existing reservoirs registered under the 1975 Act.

A late registration is defined as any registration of an existing (1975 Act) controlled reservoir made after the initial 6 month free registration period (1 April – 30 September 2015). This is the case whether the qualifying reservoir was previously registered with the local authority or not. For the avoidance of doubt note that 'abandoned' reservoirs still require to be registered with SEPA whereas there is no such requirement for 'discontinued' reservoirs.

For registration of a controlled reservoir greater than 25,000 cubic metres impounded volume which is new and becomes a controlled reservoir; or for any late registration

of existing 1975 Act reservoirs, the following fees will apply over the next 2 financial years:

Table 1: Registration fee

Financial year	Registration fee
2016/17	£505
2017/18	£523

A registration fee is payable per controlled reservoir (as a non-recurring, 'one-off' fee) and the same fee applies to all controlled reservoirs requiring to be registered regardless of the volume of the reservoir or the number of dams on that reservoir.

Where combinations of smaller reservoirs in a cascade situation constitute a controlled reservoir requiring to be registered, only one registration fee is payable for that controlled reservoir, regardless of the number of reservoirs making up the combination. However, in such cases where multiple reservoir managers may exist, SEPA expects one registration payment to be made (by mutual agreement of the reservoir managers) rather than payment from a number of different managers.

3 Annual subsistence fee

As part of the registration process, SEPA will categorise each controlled reservoir as high, medium or low risk by applying its reservoir risk designation methodology. Risk designation takes into account the consequence of an uncontrolled release of water from a reservoir and the potential impact on a number of different receptors. For further information on risk designation please visit SEPA's website at www.sepa.org.uk/reservoirs.

Existing 1975 Act reservoirs were registered with SEPA between 1 April and 30 September 2015. From 1 April 2016, which is when SEPA assumes full regulatory responsibilities for reservoir safety from the local authorities, annual subsistence charges will commence for all registered reservoirs that have been given their first risk designation (see also Section 6).

Annual subsistence charges over the next 2 financial years based on the designated risk of each controlled reservoir are as follows:

Table 2: Annual subsistence fee

Financial Year	Annual subsistence fee		
	High risk reservoir	Medium risk reservoir	Low risk reservoir
2016/17	£419	£282	£172
2017/18	£434	£292	£178

Where a controlled reservoir has more than one reservoir manager, the reservoir managers may choose to nominate a single 'point of contact' to correspond with SEPA and to fulfil certain functions required by the legislation.

In such cases, only one annual subsistence fee per controlled reservoir will be applied as SEPA only requires to engage with one reservoir manager (the 'point of contact manager'). However, if no such point of contact manager is nominated, then

the full annual subsistence fee will apply to each of the reservoir managers for that controlled reservoir.

4 Application fee for review of SEPA risk designation

After registering a controlled reservoir, SEPA will give the reservoir a provisional risk designation of high, medium or low risk. SEPA will also carry out a periodic review of a reservoir's risk designation, at least once every six years. This could result in a change to the risk designation.

In the above situations, a reservoir manager may make representations to SEPA within two months of receipt of the provisional risk designation. SEPA will confirm the risk designation for the reservoir at the end of this period having considered any representations made by the reservoir manager.

If, after this process is complete, the reservoir manager disagrees with SEPA's decision then the reservoir manager may apply to SEPA for a formal review of the risk designation given to the reservoir. Under section 23 of the 2011 Act SEPA will charge a fee in relation to such an application.

The fees for an application to review the risk designation of a reservoir over the next 2 financial years are as follows:

Table 3: Application fee for review of risk designation

Financial year	Application fee for review of SEPA risk designation
2016/17	£355
2017/18	£367

A fee is payable for each application for review of the risk designation given to a controlled reservoir by SEPA.

Should the risk designation change from high to medium or low risk, or from medium to low risk as a result of the review application, then the application fee will be returned to the reservoir manager.

If the reservoir manager is dissatisfied with the decision following a review application then the reservoir manager may appeal to Scottish Ministers. In such cases, should the decision of Scottish Ministers result in a change to the risk designation from high to medium or low risk, or from medium to low risk then the fee for the review application will be returned to the reservoir manager.

5 Summary of Charges

For ease of reference, a summary of all charges that apply through the Reservoirs (Scotland) Charging Scheme 2016-2018 is given in the following table:

Table 4: Summary of charges

Type of charge	Financial year	
	2016/17	2017/18
Registration fee	£505	£523
Annual subsistence fee:		
High risk reservoir	£419	£434
Medium risk reservoir	£282	£292
Low risk reservoir	£172	£178
Application fee for review of SEPA risk designation	£355	£367

6 General guidance on fees and further information regarding annual subsistence fees

In order to submit a valid registration or valid application for review of a risk designation, correct payment of the relevant fee to SEPA requires to be made in full at the same time as submitting the registration form or review of risk designation application form.

Annual subsistence fees are due on 1 April of each financial year for the forthcoming year which SEPA will issue to reservoir managers by invoice i.e. as one invoice per annum. The invoice may be issued to an alternative billing contact if this has been specified by the reservoir manager on the registration form submitted.

SEPA's normal conditions of payment apply to subsistence fees which are specified on every invoice. Payment plans may be available on request to SEPA.

For reservoirs which are given their first risk designation on or after 1 April, the annual subsistence fee will be applied proportionately for that financial year from the date that the first risk designation is given.

Where, as a result of a review of risk designation of a reservoir, a different risk designation is given by SEPA, then the amount of subsistence fee payable for that financial year will be based on the risk designation which applied on 1 April of that year.

Partial refunds of annual subsistence payments may apply where during the course of the relevant financial year, a reservoir no longer requires to be registered i.e. through discontinuance. However, where there is a change of reservoir manager during the course of a year, no partial refund of the subsistence fee will be issued by SEPA to the ceasing reservoir manager. An invoice will be raised for the new reservoir manager from 1 April of the following financial year. Therefore in such cases it will be for the ceasing and new reservoir managers to agree between themselves any 'refund' arrangements during transfer of the reservoir.

7 Review of fees

SEPA is required to review the charging scheme at least once in every 3 year period beginning with 1 April 2016.

Processes will be put in place to collate the actual time spent on regulatory and administrative tasks under each of the charge categories. This will be done in order to inform the first review of the charging scheme after which period times and costs will be adjusted if appropriate.

This charging scheme covers the financial periods 2016/17 and 2017/18 and the first review of the scheme will be completed before the end of the financial year 2017/18. Any proposed changes to the scheme (other than inflationary cost increases), will be subject to public consultation.

Reservoir Regulatory Unit
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