

Your 2016-2017 invoice explained

New charging scheme

SEPA's new charging scheme came into effect on 1 April 2016. We wrote to all charge-payers in June 2015 as part of the consultation process on the scheme and also in early March 2016 to give you early sight of the projected charges for 2016. Information about the new scheme is available on our website (www.sepa.org.uk/charging/). The charges under the new scheme will more accurately reflect the time that we will spend addressing environmental problems. This delivers important benefits for charge-payers ensuring that:

- operators' use of the environment is protected (e.g. abstractions);
- environmental crime (particularly in the waste industry) does not undermine legitimate companies.

Your invoice

The first sheet of the invoice will state your total charge for 2016-2017. The second sheet will provide a breakdown of how the charge has been calculated. It will contain the following information:

- i. Each chargeable activity with the full year's charge
- ii. Chargeable dates for each activity with the pro rata charge - this is what you will pay for the activity, less any discounts
- iii. Multiple activity discount (if applicable)
- iv. Environmental cost (if applicable)
- v. Total charges before adjustment (subtotal)
- vi. Adjustment made to phase in new charges over a five year period (see next section)
- vii. Total charge invoiced

Phasing adjustment

Annual charges are being phased in over five years. Between 2016-2017 and 2020-2021, charges will change in increments of one fifth of the difference between:

- what would have been your costs under the previous scheme for 2016-2017;
- your cost under the new charging scheme (see example below).

This applies to both increases and decreases in annual charges. Section 4.7 of the [guidance](#) explains the application of phasing in more detail. In 2017-2018, we will review the projected charges for 2020-2021 to make sure that the allocation of charges remains fair.

Phasing will only apply to activities chargeable before 1 April 2016. Therefore any new activities beginning in financial year 2016-2017 will not be subject to phasing; this includes new waste management charges (displayed on invoice as 'WMA - Materials recovery facility' or 'WMA – additional recovery costs').

Example of how phasing will be calculated

- The annual charge for 2016-2017 under the previous scheme would have been £2,000
- The 2016-2017 charge under the new scheme increases to £3,000

The phased charge is: -

£2000 plus one fifth of difference between new and old charge

$$= £2000 + ((3000-2000)/5)$$

$$= £2000 + £200$$

$$= £2200$$