

GUIDANCE REGARDING THE ISSUE OF INVOICES FOR ANNUAL CHARGES UNDER THE WATER ABSTRACTION AND IMPOUNDMENT (LICENSING) REGULATIONS (NORTHERN IRELAND) 2006

ANNUAL CHARGES

In accordance with government policy the objective of the NIEA Fees and Charges scheme is to achieve full cost recovery which gives effect to the “Polluter Pays Principle”. Subsistence charges will be raised annually to cover the cost of the work the Agency carries out in relation to processing a licence. These include compliance monitoring of licence conditions, attendance at site visits, technical guidance, the promotion of water conservation, enforcement (as required), and the administration of the system.

An annual charge will only apply to licence holders who abstract more than 100 cubic metres per day. Reductions or exemptions to charge are in place for small scale abstractions, including farm businesses, hydro-turbines and fish farm operations.

NIEA will determine the correct charge based on the information submitted by the applicant in the application form and conditioned in the licence.

An invoice for the annual charge will be issued in advance and will reflect abstraction levels made during the calendar year. Details of payment methods will be provided on the invoice when issued to the applicant.

The following five factors (Table 1) and the associated charging bands are used to calculate individual annual charges.

Table 1. Charging factors for the abstraction and impoundment charging scheme.

Abbreviation	Charging Factor	Definition
Vol	Volume (for abstractions >100m ³ per day)	The maximum authorised volume of water that may be abstracted in a single day
ST	Source Type	Type of water that is being abstracted (inland, surface & groundwater, or estuary/coastal)
S	Seasonality	Whether abstraction is seasonal or occurs throughout the year
Co	Consumptiveness	The proportion of water returned to the environment
Fin	Financial Factor	The annual standing charge
Charge (£) = Vol x ST x S x Co x Fin		

1. Volume Factor (Vol)

The licensed volume of water is used to determine which band a particular site or scheme will fall into. The volume factor is one of the key components of the charging scheme. In general, large abstractions are much more likely to have an adverse environmental impact than small abstractions/impoundments. Table 2 details volume categories and associated charge band.

Table 2. Volume Factor

CATEGORY	CHARGE BAND
20 to 99 cubic metres per day	0
100 to 499 cubic metres per day	2
500 to 999 cubic metres per day	5
1,000 to 1,999 cubic metres per day	10
2,000 to 9,999 cubic metres per day	15
>10,000 cubic metres per day	25

2. Source Type Factor (ST)

This charge factor is related to the source of the water that is being abstracted. Table 3 details the source type categories and associated charge band.

Table 3. Source Type Factor

CATEGORY	CHARGE BAND
Coastal and estuary	0.1
Inland water (river, lough, wetland, groundwater's)	1.0

3. Seasonality Factor (S)

The seasonality factor has two categories which focus upon the period of the year during which water is abstracted. The reduced charge band factor used for seasonal activity will only be applied if the use is intrinsically seasonal and the abstraction is constrained to specific periods of the year, which will be reflected, by a condition of the licence. Table 4 details the seasonality categories and associated charge band.

Table 4. Seasonality Factor

CATEGORY	CHARGE BAND
Seasonal	0.3
All year	1.0

4. Consumptiveness Factor (Co)

This factor reflects whether the water is removed and not returned directly to the same aquifer or river water body.

Examples of consumptive activities include livestock watering, public water supply, golf courses, irrigation and the industrial/commercial usage of water. Table 5 details the consumptiveness categories and associated charge band

Table 5 Consumptiveness Factor

CATEGORY	MULTIPLIER
Non-consumptive	0.05
Consumptive	1.0

5. Financial Factor (Fin)

This factor is the annual standing charge. For 2010 this is set at a value of **£319**.

Calculation of the Fees and Charges

Application Fees: A fee of **£138** for all applications.

Annual Charges: The Agency will determine the correct band for each of the subsistence charging factors based on information submitted in the application form and conditioned in the licence. The factors are then multiplied to calculate the annual charge.

Worked Examples for Annual Subsistence Charges

Example 1 – A major surface water abstraction used for public water supply:

Licensed abstraction volume = >10,000m³ per day.

$$\begin{aligned}\text{Annual Subsistence Charge (£)} &= \text{Vol} \times \text{ST} \times \text{S} \times \text{Co} \times \text{Fin} \\ &= 25 \times 1 \times 1 \times 1 \times 319 \\ &= \mathbf{£7975}\end{aligned}$$

Example 2 – A groundwater abstraction used in the food industry:

Licensed abstraction volume = 400m³ per day.

$$\begin{aligned}\text{Annual Subsistence Charge (£)} &= \text{Vol} \times \text{ST} \times \text{S} \times \text{Co} \times \text{Fin} \\ &= 2 \times 1 \times 1 \times 1 \times 319 \\ &= \mathbf{£638}\end{aligned}$$

Example 3 – A groundwater abstraction used by a small concrete batching company or by a dairy farm

Licensed abstraction volume = 60m³ per day.

$$\begin{aligned}\text{Annual Subsistence Charge (£)} &= \text{Vol} \times \text{ST} \times \text{S} \times \text{Co} \times \text{Fin} \\ &= 0 \times 1 \times 1 \times 1 \times 319 \\ &= \mathbf{£0}\end{aligned}$$