Approved for Publication 03.02.2005

SAA
Scottish Assessors Association

Public Buildings Committee

Practice Note 20

REVALUATION 2005
WASTE WATER TREATMENT WORKS

1.0 Introduction

This Practice Note deals with the valuation of all Public Waste Water Treatment works, including Public Septic Tanks but **does not apply** to Effluent/Water Treatment facilities, which are "used or intended to be used mainly or exclusively in connection with services to the land or buildings". (e.g. Effluent Treatment facilities within a Paper Mill.)

2.0 Basis of Valuation

All treatment works are to be valued on the Contractor's Basis using costs appropriate for the tone date of 1st April 2003 having regard to Basic Principles Practice Note 2 and Public Buildings Practice Note 4, where appropriate.

3.0 Classification

Sewage Works have historically been classified in the following manner.

(A) Biological Plant

(i) with sludge thickening and sludge treatment
(ii) with sludge thickening but without sludge treatment
(iii) without sludge thickening or sludge treatment

(B) Activated Sludge Plant

(i) as A (i)
(ii) as A (ii)
(iii) as A (iii)

(C) Extended Aeration Plant or Oxidation Ditch with no Primary Settlement

(i) as A (i)
(ii) as A (ii)
(iii) as A (iii)

(D) Primary Settlement only

4.0 Method of Valuation

In the absence of detailed information to allow a full Contractor's Basis valuation to be made for **smaller Sewage Treatment Works serving populations up to 8,000** a valuation may be carried out by reference to the table of rates based on a cost per head of optimum (design) capacity by Sewage Works type.

The unit cost rates to apply are provided as an appendix to this note.

The rates shown cover **all** elements **excluding** Land value

Adjustments will require to be made for **non - rateable items** and guidance is provided below.

Works serving up to **1,000** population - an adjustment of **15%** should be made for non rateable items.

Works serving between **1,001 and 4,500** - an adjustment of **17.5%** should be made for non rateable items.

Works serving between **4,501 and 8,000** - an adjustment of **20%** should be made for non rateable items.

Larger works serving over 8,000 population should be valued on the full Contractor's Basis and the table should not be used.

5.0 Over-Capacity

Treatment works are generally built with a design capacity of at least three times the anticipated average Dry Weather Flow. (Dry weather flow is the daily flow into the works after a period of 7 days dry weather). No allowance needs to be made for this additional capacity as it is required to deal with seasonal fluctuations in flow.

If a treatment works serves an area where there is a local tourist industry which may produce different Dry Weather Flows at different times of the year the works will have been designed to be capable of dealing with the quantity of flow at peak holiday times. In comparison the flow at off peak times will be considerably reduced.

No over-capacity allowance should be given for tourist season fluctuations.

If, however, a Treatment works has been built with a capacity which reflects a projected population increase which has not been reached, and is not likely to be reached during the quinquennium, or for the treatment of a trade effluent process which may now have ceased, then it may be necessary to make an allowance.

The figure for "used capacity" is derived by taking the actual equivalent population as a percentage of the optimum design population.
The following allowances should be applied to all works, where appropriate

<u>Over - Capacity Allowances</u>

Used Capacity	*Percentage deduction*
80% or more	**NIL**
79%-75%	**5%**
74%-70%	**10%**
69%-65%	**15%**
64%-60%	**20%**
59%-55%	**25%**
54%-50%	**30%**
49%-45%	**35%**
44%-40%	**40%**
39%-35%	**45%**
34%-30%	**50%**
29%-25%	**52.5%**

24% or less	**55%**

6.0 Age and Obsolescence

Allowances should be applied in accordance with **Basic Principles Practice Note 2 taking care to apply the appropriate Buildings, Plant, Civils or Tanks allowance.**

Please note that Concrete tanks e.g Storm or Settlement etc should be treated as Civils when considering any age and obsolescence allowance.

For those works serving populations up to 8,000, valued using the table of rates provided, a notional age and obsolescence should be applied having regard to the ratio of buildings: civils: tanks etc.

7.0 Land Value

It should be borne in mind that the level of value adopted should reflect the assumption that the development of the site is confined to the class of subject under construction. The prevailing use value in the locality may be a useful indicator but care must be taken to ensure that any values attributable to residential or commercial uses, for example, are discounted where appropriate.

The level of value applied to the site should not be lower than agricultural value or higher than prevailing residential value for adjacent land.

8.0 Decapitalisation Rate

The appropriate statutory decapitalisation percentage should be applied

TABLE OF RATES PER HEAD OF POPULATION TO REPLACEMENT CAPITAL VALUE (EXCLUDING LAND)											
				TYPE OF WORKS							
OPTIMUM / DESIGN CAPACITY	(A)(i)	(A)(ii)	(A)(iii)	(B)(i)	(B)(ii)	(B)(iii)	(C)(i)	(C)(ii)	(C)(iii)	(D)	SEPTIC TANKS
100	£780	£650	£390	£780	£650	£390	£670	£480	£290	£170	£320
200	£760	£590	£370	£760	£590	£370	£650	£450	£270	£160	£290
300	£730	£550	£330	£730	£550	£330	£620	£430	£260	£140	£270
400	£700	£530	£330	£700	£530	£330	£600	£410	£240	£140	£240
500	£680	£520	£310	£680	£520	£310	£570	£390	£230	£130	£230
750	£630	£430	£260	£630	£430	£260	£530	£350	£200	£130	£200
1,000	£570	£410	£240	£570	£410	£240	£480	£310	£160	£120	£160
1,250	£530	£390	£210	£530	£390	£210	£450	£290	£150	£110	£150
1,500	£510	£370	£200	£510	£370	£200	£420	£270	£130	£110	£130
1,750	£470	£340	£180	£470	£340	£180	£400	£260	£130	£90	£130
2,000	£440	£310	£170	£440	£310	£170	£370	£240	£120	£80	£120
2,250	£410	£290	£150	£410	£290	£150	£350	£230	£110		
2,500	£400	£290	£140	£400	£290	£140	£350	£220	£110		
2,750	£390	£270	£140	£390	£270	£140	£330	£210	£110		
3,000	£370	£260	£140	£370	£260	£140	£310	£200	£110		
3,250	£350	£260	£130	£350	£260	£130	£290	£200	£90		
3,500	£350	£250	£110	£350	£250	£110	£280	£190	£90		
3,750	£330	£240	£110	£330	£240	£110	£280	£180	£90		
4,000	£330	£240	£110	£330	£240	£110	£270	£170	£90		
4,250	£320	£240	£110	£320	£240	£110	£270	£170	£90		
4,500	£310	£240	£110	£310	£240	£110	£260	£170	£90		
4,750	£310	£240	£110	£310	£240	£110	£250	£170	£90		
5,000	£290	£240	£110	£290	£240	£110	£240	£170	£90		
8,000	£270	£220	£110	£270	£220	£110	£230	£160	£90		

NOTE: Categories A - D require adjustment for non-rateable items

up to 1,000 -15%
Between 1,001 and 4,500 - 17.5%
Between 4,501 and 8,000 - 20%