



DEFRA

DRAINS AND TRANSFER DEADLINES

WHITE PAPER

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DEFRA - DRAINS AND TRANSFER DEADLINES

Property Consortium Drainage Ltd has been closely following developments relating to the transfer of private sewers and lateral drains, which are connected to the public sewage system, into the ownership of the statutory Water and Sewage Companies (WaSC's) in England and Wales. The transfer will take place on 1st October 2011.

The guide below gives an insight into some of the key issues:

Terminology, What Are We Talking About?

Drain - a pipeline which conveys foul sewage and/or surface water runoff from a single property. Lateral Drain - a drain which is outside of the boundary of the property. Sewer - a pipeline which normally conveys foul sewage and/or surface water runoff from more than one property. WaSC - Water and Sewage Company.

What Does This Mean And How Will It Affect Insurers?

Currently, the homeowner 'owns' either solely or jointly with others the drains and private sewers which serve the properties. This generally means the pipework from the property to the connection into the public sewer. The homeowner is therefore responsible either solely or jointly with others for the maintenance and repair of the drain or private sewer, wherever it may be located.

From the 1st October 2011, the ownership of thousand's of kilometres of private sewers and lateral drains will pass to the WaSC's. Homeowners will only be liable for the drains within the boundary of their own property and those that are not shared. Once outside of the boundary, either into the pavement, road, public area or crossing into a neighbouring property, the ownership passes to the WaSC. Any private sewer, regardless of location, will pass to the WaSC as long as it is connected to a public sewer.

The WaSC's are currently responsible for sewers (that were in use as sewers) before 1st October 1937 (1st April 1965 inner London). These are commonly known as Ex-Section 24 sewers. The transfer will expand on this current legislation to include all lateral drains and sewers which discharge to the sewer system regardless of their age.

Insurers will be providing policy cover to a reduced amount of the drainage systems, although there will still be insurance claims to manage. Generally, gravity fed drains and sewers get deeper the further they are from the property (depending on ground levels). The deeper the pipework, the more costly it is to excavate. Once outside the boundary the cost to excavate can often increase as licenses are required for public areas, highways etc or neighbours require extensive provisions for reinstatement to safe guard their own properties. After the transfer date these costs will no longer form part of a valid insurance claim as the WaSC's will be liable for the repairs and associated costs.

So Will Insurer's Costs Go Down?

Yes and No. As the risk is reduced, the overall spend should decrease, especially as costly repairs after the transfer date are more likely to become the responsibility of the WaSC's. In order for the WaSC's to manage the increase in volume they will outsource work to drainage contractors who may undertake full (not targeted) surveys of the private drains. This survey could potentially highlight defects in the drainage system that are not significantly affecting serviceability but once identified may form the basis of an insurance claim.

Insurers may deem that a contractor has a conflict of interest as they will have to determine which party is liable, either wholly or proportionally, for any repair and the associated costs. Recovery opportunities from 3rd Parties may not be correctly identified.

Will Validations Increase?

Yes, it is likely that once defects are identified the WaSC appointed contractor will undertake repairs to the private drains on behalf of the homeowner. The associated cost of this work may form an insurance claim. These will require the expertise of a specialist supplier who can undertake validations and correctly consider policy liability.

If you have any queries or require further information, please don't hesitate to contact me.



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