

1989 No. 2017

**WATER, ENGLAND AND WALES**

**The Water Reorganisation (Capital Allowances) Order  
1989**

*Made* - - - - *1st November 1989*

*Coming into force* - *15th November 1989*

The Secretary of State for Wales, in relation to the successor company nominated by him, and the Secretary of State for the Environment, in relation to the other successor companies, in exercise of the powers conferred on them by section 95(1) and (2) of the Water Act 1989(a) and with the consent of the Treasury, hereby make the following Order:—

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Water Reorganisation (Capital Allowances) Order 1989 and shall come into force on 15th November 1989.

(2) In this Order “the Act” means the Water Act 1989.

**Writing-down allowances—industrial buildings and structures**

2.—(1) The amount specified in column (2) of Part I or Part II of Schedule 1 to this Order in relation to a successor company (being a company wholly owned by the Crown) shall be taken, for the purposes of subsection (3) of section 2 of the Capital Allowances Act 1968(b) (writing-down allowances), to be the residue on the transfer date of expenditure in relation to which the property vested in that company in accordance with a scheme under Schedule 2 to the Act and described in column (1) of the said Part I or Part II is a relevant interest for the purposes of the said section 2.

(2) The period specified in column (3) of Part I or Part II of Schedule 1 in relation to a successor company shall be treated, for the purposes of the said section 2, and in relation to the property vested and described as mentioned in paragraph (1), as the part of the period of 25 or, as the case may be, 50 years which is unexpired on the transfer date.

**Writing-down allowances—machinery and plant**

3. For the purposes of section 95(2) of the Act, each successor company (being a company wholly owned by the Crown) shall be treated as having incurred on the transfer date capital expenditure of the amount specified in relation to that company in column (2) of Schedule 2 to this Order in respect of the deemed acquisition for the purposes for which they are used by that company on and after that date of the motor cars, plant and machinery vested in it in accordance with a scheme under Schedule 2 to the Act and described in column (1) of Schedule 2 to this Order.

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(a) 1989 c.15.  
(b) 1968 c.3.

30th October 1989

*Peter Walker*  
Secretary of State for Wales

31st October 1989

*Chris Patten*  
Secretary of State for the Environment

We consent,

1st November 1989

*Stephen Dorrell*  
*David Lightbown*  
Two of the Lords Commissioners of Her Majesty's Treasury

SCHEDULE 1

Article 2

WRITING-DOWN ALLOWANCES—INDUSTRIAL BUILDINGS AND STRUCTURES

A. Anglian Water Services Limited

PART I

SPECIFIC PROPERTY

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Rutland Dam, Sykes Lane, Empingham, Near Oakham, Rutland	15,467	12
Caldecote Lake, Buckinghamshire	6,230	20
Alton Dam, Holbrook Road, Stutton, Ipswich, Suffolk	4,531	13
Grafham Reservoir, Perry, Huntingdon, Cambridgeshire	1,353	2
Riby St. pumping station, Grimsby, South Humberside	509	24
Heigham Water Treatment Works, modernisation, Heigham Street, Norwich	471	24
Alton Water Treatment Works, Holbrook Road, Stutton, Ipswich, Suffolk	430	22
River Ancholme Intake transfer and treatment scheme, Brigg, South Humberside	394	12
Tilbury Sewage Treatment Works, secondary treatment plant, Fort Road, Tilbury, Essex	243	23
Wing Water Treatment Works, Morcott Road, Wing, Oakham, Rutland, Leicestershire	242	13
Pyewipe Pumping Station, Grimsby, South Humberside	237	18
Cotton Valley Sewage Treatment Works (Stage 2), Pineham, Milton Keynes	173	24
Cotton Valley Sewage Treatment Works (Stage 1), Pineham, Milton Keynes	155	12
Boston Sewage Treatment Works, Blue Anchor Bight, Boston, Lincolnshire	140	15
March Sewage Treatment Works, Creek Fen, March, Cambridgeshire	130	15
Spalding Sewage Treatment Works, West Marsh Road, Spalding, Lincolnshire	111	16
Bedford Sewage Treatment Works, Summerhouse Hill, Meadow Lane, Cardington, Bedfordshire	87	19
Wisbech Sewage Treatment Works, River Road, West Walton, Wisbech, Cambridgeshire	83	15
Southend Sewage Treatment Works extension, Eastern Avenue, Southend-on-Sea, Essex	60	24
Chelmsford Sewage Treatment Works extension, Brookend Road, Chelmsford, Essex	50	24
Grimsby outfall—Humber estuary	37	19

PART II

OTHER PROPERTY

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£49,548,000	10

**B. Dwr Cymru Cyfyngedig****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Wye-Usk transfer pipeline and facilities at Court Farm, Cwmbran, Newport, Gwent	520	22
Eign Sewage Treatment Works, Rotherwas, Hereford	405	12
Cilfynydd Sewage Treatment Works, Pontypridd, Mid Glamorgan	145	16

**PART II****OTHER PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£47,192,000	10

**C. Northumbrian Water Limited****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Dams at Kielder and transfer works to the Wear and Tees from the Tyne Valley	33,402	18
Tyneside Sewerage Scheme, Tyne and Wear	10,890	18
Portrack Sewage Treatment Works, Stockton, Cleveland	1,444	20
Langbaugh Regional Sewerage Scheme and Sewage Treatment Works at Marske, Cleveland	690	23

**PART II****OTHER PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£9,922,000	10

**D. North West Water Limited****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
River Lune intake and pipeline to Abbeystead outfall into River Wyre, Lancashire	1,889	19
Prescot Reservoir, 107 St. Helens Road, Prescot, Merseyside	1,512	18
Sewage Treatment Works at Hyde and Dukinfield	775	22
Hoscar Sewage Treatment Works, Deans Lane, Hoscar, nr. Ormskirk	619	11
Whaley Bridge Sewage Treatment Works extension, Bridgemont, Stockport	293	19
Oldham to Davyhulme sludge pipeline	254	21
Eccles Treatment Works, Peel Green Road, Eccles, Manchester	244	17
Draw off works and aqueduct from Haweswater to Watchgate Water Treatment Works, Cumbria	239	14
Anchorsholme Sea Outfall and pumping plant	138	14
Pipeline from Davyhulme to Hollins Green	98	22

**PART II****OTHER PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£77,687,000	10

**E. Severn Trent Water Limited****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Foremark Reservoir, Milton nr Derby	3,972	14
Bamford Sewage Treatment Works, Salter Gate Lane, Bamford nr. Sheffield	450	24

PART II

OTHER PROPERTY

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£39,573,000	10

F. Southern Water Services Limited

PART I

SPECIFIC PROPERTY

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Headworks and pumping station, Ryde, Isle of Wight	1,693	24
Sewage Treatment Works (Phase 1), Newgate Lane, Peel Common	1,018	17
Water Treatment Works, River Rother, Hardham	974	20
Sewage Disposal Works, Botolphs Bridge Road, West Hythe	384	24
Pumping station, Bexhill Road	371	24
Sewage Treatment Works, North of Christs Hospital, Horsham	349	14
Sewage Treatment Works, Bury Road, Marchwood	181	16
Sewage Treatment Works (Phase 2), Newgate Lane, Peel Common	121	19
Foul drainage pumping station, South of Rock-a-Nore Road, Hastings	58	22
Pumping station, East Cowes Road, Isle of Wight	42	24
Pumping station, adjacent Tanners Bridge, Sellinge	31	24

PART II

OTHER PROPERTY

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£31,488,000	10

**G. South West Water Services Limited****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Wimbleball Lake, Brompton Regis, Somerset	12,388	15
Colliford Dam, St Neot, Cornwall	4,781	20
Pynes Water Treatment Works uprating, Upton Pyne, Exeter, Devon	1,771	21
Tavy interim supply, pumping station and upgrading treatment works, North Plymouth, Devon	1,293	21
Sewerage system and pumping station, Totnes, Devon	447	20

**PART II****OTHER PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£13,015,000	10

**H. Thames Water Utilities Limited****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Fobney Development Water Treatment Works	4,288	18
Datchett Reservoir, Staines, Middlesex	4,159	11

**PART II****OTHER PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£49,569,000	10

**I. Wessex Water Services Limited****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Weymouth and Portland Main Drainage Works serving Weymouth and Portland and leading to new Long Sea Outfall	2,606	22
Holdenhurst Sewage Treatment Works extension, Riverside Drive, Castle Lane, Bournemouth	902	20
Weymouth Headworks and Long Sea Outfall Ryemead Lane, Wyke Regis, Weymouth to Chesil Beach (offshore)	447	19
Southern Foul Water Interceptor System, Bristol	39	20

**PART II****OTHER PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£2,581,000	10

**J. Yorkshire Water Services Limited****PART I****SPECIFIC PROPERTY**

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Grimwith Reservoir and water supply facility, Hebden, Skipton, N. Yorkshire	18,012	22
River intake and water treatment works, Loftsome Bridge, Wressle	10,827	16
New depot, Western Way, Halifax Road, Bradford	3,597	23
Water Treatment Works, Manchester Road, Langsett, Stocksbridge, Sheffield	3,011	22
River intake and water treatment works, Moor Monkton, Yorkshire	1,349	15
Water supply facility and mains, Elvington Treatment Works, York	1,133	10
Blackmoorfoot Water Treatment Works, Gillroyd Lane, Linthwaite, Huddersfield	804	22
Sewage Treatment Works, Woodhouse Mill, Retford Road, Sheffield	703	15
Extension to sewage treatment works, Caldervale Road, Wakefield	513	21



J. PART I (continued)

(1) <i>Description of property</i>	(2) <i>Amount of Residue £000</i>	(3) <i>Unexpired period (years)</i>
Sewage Treatment Works, Alsing Road, Sheffield	497	20
Filter distribution system, Ainsbury House, Idle, Bradford	485	20
Reconstruction of sewage treatment works, Ashgrove Road, Huddersfield	288	16
Sewage Treatment Works, Ouston Lane, Tadcaster	281	19
Long Sea Outfall, South Marine Drive, Bridlington, Humberside	210	19

PART II

OTHER PROPERTY

(1) <i>Description of property</i>	(2) <i>Amount of Residue</i>	(3) <i>Unexpired period (years)</i>
All other property qualifying as an industrial building or structure within the meaning of Chapter 1 of Part I of the Capital Allowances Act 1968.	£22,115,000	10

SCHEDULE 2

Article 3

WRITING-DOWN ALLOWANCES - MACHINERY AND PLANT

A. Anglian Water Services Limited

PART I

MOTOR CARS

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
45 motor cars, of which the estimated value of each exceeds £8,000	£454,890

PART II

OTHER MACHINERY AND PLANT

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971(a) applies.	£1,148,970,000

(a) 1971 c.68.

**B. Dwr Cymru Cyfyngedig**

**PART I**

**MOTOR CARS**

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
30 motor cars, of which the estimated value of each exceeds £8,000	£291,762

**PART II**

**OTHER MACHINERY AND PLANT**

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971 applies.	£451,096,000

**C. Northumbrian Water Limited**

**PART I**

**MOTOR CARS**

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
One motor car	£15,205

**PART II**

**OTHER MACHINERY AND PLANT**

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971 applies.	£344,413,000

**D. North West Water Limited**

**PART I**

**MOTOR CARS**

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
Four motor cars, of which the estimated value of each exceeds £8,000.	£71,000

PART II

OTHER MACHINERY AND PLANT

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971 applies.	£1,076,021,000

**E. Severn Trent Water Limited**

PART I

MOTOR CARS

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
30 motor cars, of which the estimated value of each exceeds £8,000	£330,009

PART II

OTHER MACHINERY AND PLANT

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971 applies.	£1,018,035,000

**F. Southern Water Services Limited**

PART I

MOTOR CARS

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
9 motor cars, of which the estimated value of each exceeds £8,000	£84,329

PART II

OTHER MACHINERY AND PLANT

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971 applies.	£559,441,000

**G. South West Water Services Limited**

**PART I**

**MOTOR CARS**

<b>(1)</b> <i>Description</i>	<b>(2)</b> <i>Amount of capital expenditure</i>
8 motor cars, of which the estimated value of each exceeds £8,000	£101,653

**PART II**

**OTHER MACHINERY AND PLANT**

<b>(1)</b> <i>Description</i>	<b>(2)</b> <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971 applies.	£281,520,000

**H. Thames Water Utilities Limited**

**PART I**

**MOTOR CARS**

<b>(1)</b> <i>Description</i>	<b>(2)</b> <i>Amount of capital expenditure</i>
None	Nil

**PART II**

**OTHER MACHINERY AND PLANT**

<b>(1)</b> <i>Description</i>	<b>(2)</b> <i>Amount of capital expenditure</i>
All machinery and plant, other than that referred to in Part I above, to which Chapter I of Part III of the Finance Act 1971 applies.	£1,031,962,000

**I. Wessex Water Services Limited**

**PART I**

**MOTOR CARS**

<b>(1)</b> <i>Description</i>	<b>(2)</b> <i>Amount of capital expenditure</i>
31 motor cars, of which the estimated value of each exceeds £8,000	£302,721

PART II

OTHER MACHINERY AND PLANT

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant other than that referred to in Part I above to which Chapter I of Part III of the Finance Act 1971 applies.	£460,623,000

**J. Yorkshire Water Services Limited**

PART I

MOTOR CARS

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
12 motor cars, of which the estimated value of each exceeds £8,000	£135,178

PART II

OTHER MACHINERY AND PLANT

(1) <i>Description</i>	(2) <i>Amount of capital expenditure</i>
All machinery and plant other than that referred to in Part I above to which Chapter I of Part III of the Finance Act 1971 applies.	£783,817,000

## EXPLANATORY NOTE

*(This note is not part of the Order)*

Section 2(3) of the Capital Allowances Act 1968 provides for the calculation of the writing-down allowance in respect of a period which ends after the sale of the relevant interest in an industrial building or structure by reference to the residue of certain expenditure. The writing-down allowance for a chargeable period is the residue reduced in the proportion which the length of the chargeable period bears to the unexpired part, at the date of sale, of the period of 25 or, in certain cases, 50 years beginning with the date on which the building or structure was first used.

Article 2(1) of this Order and Schedule 1 specify for the purposes of section 2 of the 1968 Act the amount that is to be taken as the residue in relation to industrial buildings and structures which vested on the transfer date (1st September 1989), in accordance with schemes made under Schedule 2 to the Water Act 1989, in companies which succeeded the water authorities.

Article 2(2) and Schedule 1 specify in relation to those buildings and structures the period which is to be treated as the unexpired part of the period of 25 or, as the case may be, 50 years.

Article 3 of the Order and Schedule 2 specify the amount of capital expenditure that the successor companies are deemed to have incurred on the transfer date in respect of machinery and plant which vested in them in accordance with Schedule 2 schemes. Those amounts are relevant for the purpose of calculating the capital allowances in respect of machinery and plant for which Chapter I of Part III of the Finance Act 1971 provides.