

# How to write off 100 per cent of investments...

The Enhanced Capital Allowances scheme for water efficient technologies is modelled on the Government's ECA scheme for approved energy saving technologies. The scheme allows businesses to write off 100% of investments in qualifying sustainable water technologies and products against profits in the year of investment. For example, if a company buys eligible equipment costing £1,000, it could write-off that cost against the taxable profits of the year in which the expenditure is incurred. If the company pays corporation tax at 30% the tax relief would be worth £300. The WTL lists the technologies and products that can qualify for ECAs.

Since its launch in 2003, over 300 products have been approved for inclusion in the WTL. Currently the categories of the qualifying technologies include:

- Flow controllers
- Meters and monitoring equipment
- Leakage detection equipment
- Efficient toilets
- Efficient taps
- Rainwater harvesting equipment

The qualifying criteria for products within each technology category have recently been reviewed and three new technology categories: efficient membrane filtration systems, cleaning in place equipment and efficient showers, will qualify for support under the scheme in early autumn.

## Efficient membrane filtration systems

Efficient membrane filtration systems enable a site to treat their wastewater to a standard where the treated effluent can be reused, thus increasing the overall quality of the wastewater and reducing the volume of water used from public supplies. Moreover, as water supply and effluent disposal costs increase, wastewater recovery and re-use is becoming more financially attractive in comparison to the costs for wastewater disposal. The inclusion of efficient membrane filtration systems in the WTL offers businesses a major incentive to invest in this type of equipment. Eligible for the ECA are the core membrane element and module; all the necessary pre- and post-treatment equipment; other ancillary equipment, including pipe work, for efficient functioning of the whole system.



Picture courtesy of Koch Membrane



The type of membrane filtration systems that will qualify for support under the scheme include: microfiltration, ultrafiltration, nanofiltration, reverse osmosis and membrane bioreactors. There are provisos that the system is installed for the treatment of wastewater to enable the recovery and reuse of at least 40% of the treated effluent within the site, and that it meets the eligibility criteria set out on the WTL website.

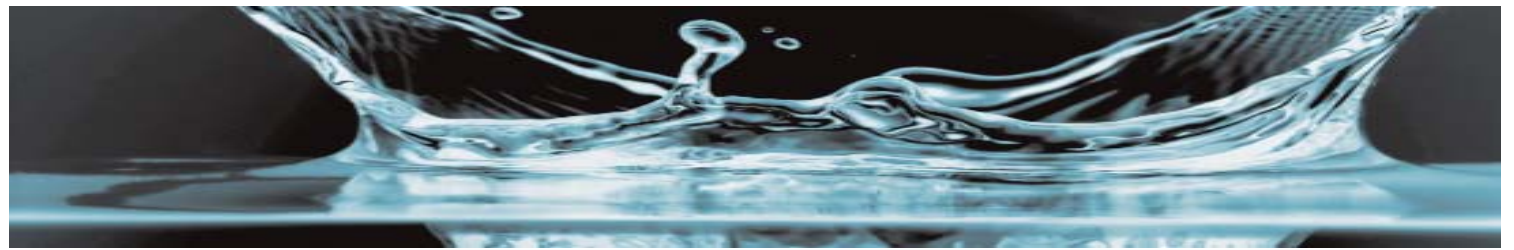
## Cleaning in place equipment

On some sites 70% of water is used for cleaning. As water use is directly related to chemical and detergent use, a reduction in water consumption could lead not only to reduced chemical use but also to potential for a reduction in the effluent strength of the waste water. Cleaning in place (CIP) provides fast, efficient, reproducible and reliable cleaning to a high standard for all types of process plant, for example tanks and large diameter pipes.

Although many businesses have already implemented CIP, it is estimated that 60-80% of businesses could benefit from modernising their spray devices to more efficient models, possibly making water savings of up to 30%. As such, to encourage businesses to optimise their CIP systems, CIP spray devices and monitoring and control equipment will both be included in the WTL.

## Efficient showers

The provision of showers in the business environment is becoming more common and widespread. In addition to the hotel and leisure sectors, the commercial sector is now increasingly providing shower facilities for its employees. However, showers can consume a significant volume of water, with some power-showers delivering in excess of 25 litres of water per minute. Efficient showers deliver less water than ordinary showers without compromising shower performance. Through their unique design and/or particular method of delivering the water, they not only save water but also reduce energy consumption. To encourage businesses to invest in water efficient showers, this technology will be supported under the ECA scheme and will be listed on the WTL.



## Competitive advantage

The WTL offers manufacturers of qualifying sustainable water technologies a competitive advantage by having their products included on the List. Not only do their potential customers have the opportunity of saving money on water bills but may also qualify for accelerated tax relief on their purchase through the ECA scheme. Additionally, the WTL is a source of publicity for products. Many manufacturers on the WTL have already seen the benefits of inclusion.

Kent based Aquaco Limited is a company specialising in water recycling and water treatment suited to a wide range of applications. Sales Director Paul Williams said: "We now have 50 of our rainwater storage vessels listed on the WTL. This has resulted in an increase in website hits, enquiries and has really boosted sales as the ECA provides the additional incentive businesses are looking for to make the investment". *Shower photo courtesy of A.L Challis*

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## Financial and environmental benefits for businesses

Water may not be the first area that a business would look at to reduce costs, as companies often see water as a fixed operating cost and seldom make the link between environmental responsibility and the proven financial gain of water efficiency. However, Envirowise has managed to prove that water savings are indeed a key area for all businesses by demonstrating that through using water efficiently and minimising wastage, businesses can make substantial savings. Envirowise estimate that, by implementing simple water management measures at little or no cost to the business, sites which have not previously examined their water consumption can usually achieve around 30% savings on water and effluent bills immediately. By investing in WTL products these savings can exceed 50% as they form part of a more structured and long-term water savings project.