

# **DEVELOPER SERVICES CHARGING ARRANGEMENTS 2026/27**

Board Statement of Assurance

**NORTHUMBRIAN WATER LIMITED**  
**BOARD STATEMENT OF ASSURANCE FOR DEVELOPER SERVICES CHARGING ARRANGEMENTS CHARGES**  
**2026/27**

The Northumbrian Water Limited (NWL) Board has overseen the development of the charges for 2026/27.

The latest charging rules issued under sections 51CD, 105ZF, 143B and 144ZA of the Water Industry Act 1991 were published by the Water Services Regulation Authority (Ofwat) in December 2024 and came into effect on 1 April 2025.

The charging rules state that each undertaker should provide Ofwat with an assurance statement from its Board of Directors and publish its statements no later than the time of publication of the charging arrangements:

- i. confirming that the company complies with its obligations relating to the charging rules; and
- ii. confirming that the company has appropriate systems and processes in place to make sure that the information contained in the Charging Arrangements, and the additional information covered in the annex is accurate.

The purpose of this statement is to clearly state that NWL has satisfied these requirements.

**Governance and Assurance**

We closely monitor the rules published by Ofwat and ensure that all changes are incorporated into our charges publications. In order to do this we have strong governance arrangements and assurance processes which have been applied to the development of these charges throughout the year, and are summarised below.

- The Charging and Markets Leadership Group (CMLG) is a sub-group of the Executive Leadership Team (ELT) and discusses charging issues and the annual charge setting process for NWL, in addition to promoting and monitoring market arrangements across NWL. The CMLG is chaired by the Chief Financial Officer and includes the Director of Customer and Corporate Services and the Regulation & Assurance Director along with senior managers from various disciplines within the business. The group met several times in the year to discuss charging policy, external markets, strategy and governance. Any significant decisions and matters arising have been reported to the ELT and, as required, to the Board.
- Our Developer Services, Regulation and Finance teams met regularly to review our approach to the setting of charges.
- Consultation was carried out with stakeholders (more information is available in our Statement of Significant Changes in Charges for New Connections and New Developments).
- Internal Audit reviewed the methodology and key inputs used to calculate the 2026/27 Developer Services charges, including sample recalculations, and confirmed that the core calculation approach has been applied appropriately.

We operate a well-established approach to corporate governance and assurance, which is summarised in our Assurance Framework, more information on our overall Assurance Plan can be found at [Data Assurance Statement 2024/25](#).

**Development of charges**

We have a well-established timetable for the production and approval of our tariffs and charges schemes and schedules and this is incorporated into our Assurance Plan for the year. The charges have been developed through the following process:

# DEVELOPMENT OF CHARGES

2025												2026
Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	
Agree charges setting and Assurance timetable	CMLG meeting				CMLG meeting		CMLG meeting	Consult with CCW re indicative primary wholesale charges	Communications planning for potential bill increases	CMLG meeting	Internal audit assurance	
RWG Good Practice Guide published (NHH Charges)							Update NWL Audit Committee noting governance and Assurance processes for 2026/27 charges	Internal audit assurance	Developer Services Day held	Final November indexation published	Ofwat Final Determination for BYA published	Update Board with final charges
							Update NWL Board with draft charges for 2026/27	Publish indicative primary wholesale charges	Ofwat Final Determination for ODI payments 2024/25 published	Ofwat workshop: Water efficiency and business user charges	Consult with CCW regarding final charges and handling strategies	
							Ofwat call re Unmeasured charges and	Communications planning for potential bill increases		Developer Services consultation sessions	Notify Ofwat of average and typical bill increases	
							Ofwat Final Determination for BYA published			Communications planning for potential bill increases	Finalise and publish tariffs and associated documents in accordance with Ofwat timetable	

## **Statement of significant changes in charges for new connections and new developments**

We have published a Statement of Significant Changes in Charges for New Connections and New Developments which can be found via the links above. This statement highlights the effects of the new 2026/27 charges on typical developments and incorporates worked examples.

NWL - [Developer services charges](#)

ESW - [Developer services charges](#)

### **Handling strategies**

We have increased our water infrastructure charges in response to the increased need for network reinforcement across both of our operating regions. Infrastructure charges in the North have increased from £350 to £425, and we expect these charges to remain relatively stable assuming the level of required investment remains the same.

Southern infrastructure charges have increased from £600 to £900. This is driven by additional network reinforcement needs, which are required over the next 5 years. We will continue to review our plan on an annual basis.

We have set the charge to allow investment in our network and enable future development. We are also continuing to offer discounts on infrastructure charges for those meeting our water efficiency targets, this year's sees developers able to claim up to 200%.

### **Summary**

The strong governance and assurance arrangements that have been applied in the development of the charges provide the Board with a sound basis to confirm that:

- i. NWL's charges for 2026/27, as set out in its Charging Arrangements, comply with our obligations relating to the charging rules; and
- ii. NWL has appropriate systems and processes in place to make sure that the information contained in the Charging Arrangements, and additional information, is accurate.

**Signed on behalf of the NORTHUMBRIAN WATER LIMITED Board**



**Matt Williams**  
**Chief Financial Officer**