

STATEMENT OF SIGNIFICANT CHANGES IN CHARGES FOR NEW CONNECTIONS AND NEW DEVELOPMENTS FOR 2021/22

This statement is published in accordance with the Information Note IN 20/07 published in November 2020.

Our Charging Arrangements for 2021/22 can be found on our websites at:

<https://www.nwl.co.uk/services/developers/our-charges/>, and

<https://www.eswater.co.uk/services/developers/our-charges/>.

Comparisons with 2020/21 Charges

We have set out in our Charging Arrangements worked examples of our new charges. In Appendix 1 we have included a comparison of 2021/22 charges against the 2020/21 charges.

In response to Ofwat's requirement that infrastructure charges should be equal to network reinforcement costs over a five-year period from 1 April 2018, we introduced reduced infrastructure charges for 2018/19. Since then, we have periodically reviewed our network reinforcement requirements and adjusted our infrastructure charges accordingly. We have reassessed our forecast of water network reinforcement requirements and determined that, if the current trend continues, we will require less income than originally forecast to fund the anticipated reinforcement up to 31 March 2023. Consequently, we have reduced our water infrastructure charges further from £135 to £65 per house in the Northumbrian area and from £140 to £40 in our Essex & Suffolk area for the charging year that begins on 1 April 2021.

We have reviewed the forecast of network reinforcement expenditure that is anticipated on our sewerage network and propose to maintain our wastewater infrastructure charges, applicable Northumbrian area, at £235 per house next year.

In general, our labour and contractor costs have increased marginally compared to last year and this has increased our costs for installing service connections and new water mains. We have also experienced some increases in our costs for water meters that affects service connection charges i.e., those installed by us and by self-lay providers (SLP).

In our Northumbrian area of supply we have moved away from employing contractor labour to using our own direct labour for service connection work. This has had the effect of decreasing our installation costs for service connections to newly laid water mains but has increased our costs of installing service connections to existing mains.

The fees and charges for non-contestable work we provide to SLP and new appointments and variations (NAV) customers have remained similar to last year.

The reduction in our water infrastructure charges in both the Northumbrian and Essex & Suffolk areas of supply has had the largest impact on the overall charge for the developments. In considering the development scenarios in Appendix 1, the reduction in water infrastructure charges has, in most cases, more than offset the effect of other charges increasing. The largest impact can be seen for developments where multiple of properties are to be connected. This is due to the water infrastructure charge reduction being applied to each house. When considering the scenarios in Appendix 1, the changes in overall costs, including infrastructure charges, compared with last year are as follows:

- For developments where water mains are requisitioned from us charges are 4-5% lower.
- For multi-occupancy buildings the reduction is around 14%
- For single properties connecting to existing water mains there is an increase between 2-5%

- For developments where water mains and service connections are self-laid the charges payable to us are 6-8% lower in the Northumbrian area and 16-26% lower in the Essex & Suffolk area.

Consultation

In December 2020 we consulted with our developer services customers i.e. developers, SLPs and NAVs, about our charges (see Appendix 2). We responded to and considered the feedback we gathered.

Handling strategies

We have assessed the effects of the new 2021/22 charges on these typical developments and produced impact assessments to allow us to consider any handling strategies that are required where typical development would increase by greater than 10% from 2020/21 charges.

Given that there are no instances where overall charges for developments are increasing by 10% or more, we have concluded that, this year, there is no requirement to implement any handling strategies.

29 January 2021

Appendix 1

Impact assessment of charges for 2021/22

We have assessed the impact of changes to charges using the worked example scenarios set out in Ofwat's Information Notice IN 20/07 November 2020. In the examples we have included the following:

- Requisition charges – relating to the work we do when constructing new water mains/sewers
- Connection charges – relating to the work we do when connecting properties to our new or existing network
- Infrastructure charges
- Income offset, if applicable

We have also included the other charges that are relevant to the scenarios. These include, but are not limited to:

- Application fees
- Design fees
- Administration fees
- Meter installation fees
- Fees to determine Water Regulations compliance
- Traffic management fees
- Pre-occupancy fees

We have provided worked examples using the scenarios on Ofwat's Information Notice IN 20/07 November 2020.

Our customers prefer a) to construct lateral drains and connect to our sewers and b) to construct new sewers and offer them to us for adoption. Therefore, our worked examples do not include for us constructing sewerage assets.

The examples are for illustrative purposes only. In all of the examples the following assumptions have been made:

- The development sites have not been developed previously, such that no infrastructure charge credits apply
- None of the houses are eligible for discounts for water efficiency or sustainable drainage
- No circumstances exist such that any of the connection services would be exempt from fixed upfront charges (see Appendix B of our Charging Arrangements for 2021/22)
- That sewer connections will be made directly to our existing public sewer network
- The fees and charges are exclusive of VAT

For the Northumbrian area, we have shown all of the water and wastewater fees and charges that typically apply to the development types in the examples. In that way, customers can see the expected total bill for connecting the development to our water and wastewater networks.

For the Essex & Suffolk area, we have shown all of the water fees and charges that typically apply to the development types in the examples. The wastewater charges and fees which may apply will be payable to the relevant sewerage undertaker in the area which the development is situated.

When considering the scenarios set out in the Information Note IN 20/07, we have determined that there are no additional traffic management fees or local authority charges that need to be charged over and above those that are already included within our connection charges. For all of the scenarios we are required to consider, our relevant charges include for 2-way traffic lights and local authority permit fees.

Where our examples include for the adoption of sewers an additional fee is payable that is not been included within our calculation. The fee is 2.5% of our estimate of the construction costs of the sewers or a minimum of £500. The fee includes for the following:

- Inspection and testing (including CCTV) of the self-laid sewers
- Provision of a maintenance certificate
- Issue of a final sewer adoption certificate

Single connection - short

Water:

- Connection to an existing main. This includes service pipe and boundary box fitting, excavation and reinstatement;
- 25-32mm PE pipe
- Short connection – 4m road surface;
- Typical traffic management – including any council charges.

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable.

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Water Regulations compliance fee	1	no.	£53	£53	£66	£66
25 mm diameter PE service connection, 2 to 5m in length, in made up ground	1	no.	£677	£677	£737	£737
Pre-occupancy charge	1	no.	£32	£32	£32	£32
Water infrastructure charge	1	no.	£135	£135	£65	£65
Sewer connection application fee	1	no.	£200	£200	£201	£201
Sewer connection administration fee	1	no.	£105	£105	£106	£106
Wastewater infrastructure charge	1	no.	£235	£235	£235	£235
Income offset	1	no.	£0	£0	£0	£0
				£1,688		£1,723

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Water Regulations compliance fee	1	no.	£53	£53	£66	£66
25 mm diameter PE service connection, 2 to 5m in length, in made up ground	1	no.	£1,102	£1,102	£1,205	£1,205
Pre-occupancy charge	1	no.	£20	£20	£21	£21
Water infrastructure charge	1	no.	£140	£140	£40	£40
Income offset	1	no.	£0	£0	£0	£0
				£1,566		£1,613

Single connection - long

- Connection to an existing main. This includes service pipe and boundary box fitting, excavation and reinstatement;
- 25-32mm PE pipe
- Long connection – 8m (4m road surface and 4m unmade ground);
- Typical traffic management – including any council charges.

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable.

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Water Regulations compliance fee	1	no.	£53	£53	£66	£66
25 mm diameter PE connection, 5 to 10m in length, in made up ground	1	no.	£1,096	£1,096	£1,181	£1,181
Pre-occupancy charge	1	no.	£32	£32	£32	£32
Water infrastructure charge	1	no.	£135	£135	£65	£65
Sewer connection application fee	1	no.	£200	£200	£201	£201
Sewer connection administration fee	1	no.	£105	£105	£106	£106
Wastewater infrastructure charge	1	no.	£235	£235	£235	£235
Income offset	1	no.	£0	£0	£0	£0
				£2,107		£2,167

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Water Regulations compliance fee	1	no.	£53	£53	£66	£66
25 mm diameter PE connection, 5 to 10m in length, in made up ground	1	no.	£1,590	£1,590	£1,757	£1,757
Pre-occupancy charge	1	no.	£20	£20	£21	£21
Water infrastructure charge	1	no.	£140	£140	£40	£40
Income offset	1	no.	£0	£0	£0	£0
				£2,054		£2,165

Block of flats – short connection

Water:

- Large diameter water connection to an existing main – no barrier pipe. This includes service pipe and boundary box fitting, excavation and reinstatement
- Short connection – 4m road surface;
- Typical traffic management – including any council charges.

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Administration fee - service connection made at the same time as another service connection	9	no.	£37	£333	£39	£351
Water Regulations compliance fee (connection >32mm dia. domestic water fittings)	1	no.	£343	£343	£408	£408
63 mm diameter PE service connection, 2 to 5m in length, in made up ground	1	no.	£1,065	£1,065	£1,106	£1,106
Branch service connection	10	no.	£277	£2,770	£193	£1,930
Pre-occupancy charge	10	no.	£32	£320	£32	£320
Water infrastructure charge	10	no.	£135	£1,350	£65	£650
Wastewater infrastructure charge	10	no.	£235	£2,350	£235	£2,350
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Income offset	10	no.	£0	£0	£0	£0
				£9,087		£7,703

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Administration fee - service connection made at the same time as another service connection	9	no.	£37	£333	£39	£351
Water Regulations compliance fee (connection >32mm dia. domestic water fittings)	1	no.	£343	£343	£408	£408
63 mm diameter PE service connection, 2 to 5m in length, in made up ground	1	no.	£1,359	£1,359	£1,436	£1,436
Branch service connection	10	no.	£227	£2,270	£217	£2,170
Pre-occupancy charge	10	no.	£20	£200	£21	£210
Water infrastructure charge	10	no.	£140	£1,400	£40	£400
Income offset	10	no.	£0	£0	£0	£0
				£6,156		£5,256

Block of flats – long connection

Water:

- Large diameter water connection to an existing main – no barrier pipe. This includes service pipe and boundary box fitting, excavation and reinstatement
- Long connection – 8m (4m road surface and 4m unmade ground);
- Typical traffic management – including any council charges.

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Administration fee - service connection made at the same time as another service connection	9	no.	£37	£333	£39	£351
Water Regulations compliance fee (connection >32mm dia. domestic water fittings)	1	no.	£343	£343	£408	£408
63 mm diameter PE service connection, 5 to 10m in length, in made up ground	1	no.	£1,505	£1,505	£1,636	£1,636
Branch service connection	10	no.	£277	£2,770	£193	£1,930
Pre-occupancy charge	10	no.	£32	£320	£32	£320
Water infrastructure charge	10	no.	£135	£1,350	£65	£650
Wastewater infrastructure charge	10	no.	£235	£2,350	£235	£2,350
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Income offset	10	no.	£0	£0	£0	£0
				£9,527		£8,233

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Service connection application fee	1	no.	£115	£115	£116	£116
Service connection administration fee	1	no.	£136	£136	£165	£165
Administration fee - service connection made at the same time as another service connection	9	no.	£37	£333	£39	£351
Water Regulations compliance fee (connection >32mm dia. domestic water fittings)	1	no.	£343	£343	£408	£408
63 mm diameter PE service connection, 5 to 10m in length, in made up ground	1	no.	£1,958	£1,958	£2,104	£2,104
Branch service connection	10	no.	£227	£2,270	£217	£2,170
Pre-occupancy charge	10	no.	£20	£200	£21	£210
Water infrastructure charge	10	no.	£140	£1,400	£40	£400
Income offset	10	no.	£0	£0	£0	£0
				£6,755		£5,924

Small housing development

Water:

- 10 new service connections off new mains – 3m unmade ground. This includes service pipe and boundary box fitting, excavation and reinstatement;
- New off-site connection to the existing main, including traffic management as described in scenario above;
- New mains required – total length 50m, consisting of
 - 90mm PE – 10m road surface (leading to the point of connection);
 - 90mm PE – 20m unmade surface;
 - 63mm PE – 20m unmade surface

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design fee for up to 20 properties	1	no.	£373	£373	£375	£375
Mains administration fee	1	no.	£445	£445	£448	£448
Supply and construct 90 mm diameter PE water main - in made up ground	10	m	£154	£1,540	£161	£1,610
Supply and construct 90 mm diameter PE water main - in unmade ground	20	m	£63	£1,260	£65	£1,300
Supply and construct 63 mm diameter PE water main - in unmade ground	20	m	£53	£1,060	£55	£1,100
Service connection administration fee	10	no.	£46	£460	£49	£490
Water Regulations compliance fee (self-certified)	10	no.	£23	£230	£29	£290
Supply and install 25 mm service connection 2 to 5m in length in unmade ground	10	no.	£453	£4,530	£445	£4,450
Pre-occupancy charges	10	no.	£32	£320	£32	£320
Water Infrastructure charge	10	no.	£135	£1,350	£65	£650
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Sewer adoption application fee (includes initial administration)	1	no.	£500	£500	£500	£500
Sewer adoption legal fee (provision of a standard sewer adoption agreement)	1	no.	£219	£219	£220	£220
Wastewater infrastructure charge	10	no.	£235	£2,350	£235	£2,350
Income offset	10	no.	£0	£0	£0	£0
				£15,045		£14,514

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design fee for up to 20 properties	1	no.	£373	£373	£375	£375
Mains administration fee	1	no.	£445	£445	£448	£448
Supply and construct 90 mm diameter PE water main - in made up ground	10	m	£210	£2,100	£218	£2,180
Supply and construct 90 mm diameter PE water main - in unmade ground	20	m	£86	£1,720	£89	£1,780
Supply and construct 63 mm diameter PE water main - in unmade ground	20	m	£71	£1,420	£73	£1,460
Service connection administration fee	10	no.	£46	£460	£49	£490
Water Regulations compliance fee (self-certified)	10	no.	£23	£230	£29	£290
Supply and install 25 mm service connection 2 to 5m in length in unmade ground	10	no.	£579	£5,790	£586	£5,860
Pre-occupancy charges	10	no.	£20	£200	£21	£210
Water Infrastructure charge	10	no.	£140	£1,400	£40	£400
Income offset	10	no.	£0	£0	£0	£0
				£14,241		£13,597

Medium housing development

Water:

- 50 new service connections off new mains – 3m unmade ground. This includes service pipe and boundary box fitting, excavation and reinstatement;
- New off-site connection to the existing main, including traffic management as described in scenario above;
- New mains required – total length 50m, consisting of
 - 180mm PE – 10m road surface (leading to the point of connection);
 - 180mm PE – 90m unmade surface;
 - 125mm PE – 100m unmade surface;
 - 90mm PE – 100m unmade surface

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design fee for up to 20 properties	1	no.	£373	£373	£375	£375
Mains design fee for additional multiples of 20 properties	2	no.	£68	£136	£68	£136
Mains administration fee	1	no.	£445	£445	£448	£448
Supply and construct 180 mm diameter PE water main - in made up ground	10	m	£191	£1,910	£199	£1,990
Supply and construct 180 mm diameter PE water main - in unmade ground	90	m	£87	£7,830	£90	£8,100
Supply and construct 125 mm diameter PE water main - in unmade ground	100	m	£66	£6,600	£69	£6,900
Supply and construct 90 mm diameter PE water main - in unmade ground	100	m	£63	£6,300	£65	£6,500
Service connection administration fee	50	no.	£46	£2,300	£49	£2,450
Water Regulations compliance fee (self-certified)	50	no.	£23	£1,150	£29	£1,450
Supply and install 25 mm service connection 2 to 5m in length in unmade ground	50	no.	£453	£22,650	£445	£22,250
Pre-occupancy charges	50	no.	£32	£1,600	£32	£1,600
Water Infrastructure charge	50	no.	£135	£6,750	£65	£3,250
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Sewer adoption application fee (includes initial administration)	1	no.	£500	£500	£500	£500
Sewer adoption legal fee (provision of a standard sewer adoption agreement)	1	no.	£219	£219	£220	£220
Wastewater infrastructure charge	50	no.	£235	£11,750	£235	£11,750
Income offset	50	no.	£0	£0	£0	£0
				£70,921		£68,330

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design fee for up to 20 properties	1	no.	£373	£373	£375	£375
Mains design fee for additional multiples of 20 properties	2	no.	£68	£136	£68	£136
Mains administration fee	1	no.	£445	£445	£448	£448
Supply and construct 180 mm diameter PE water main - in made up ground	10	m	£257	£2,570	£267	£2,670
Supply and construct 180 mm diameter PE water main - in unmade ground	90	m	£107	£9,630	£111	£9,990
Supply and construct 125 mm diameter PE water main - in unmade ground	100	m	£96	£9,600	£100	£10,000
Supply and construct 90 mm diameter PE water main - in unmade ground	100	m	£86	£8,600	£89	£8,900
Service connection administration fee	50	no.	£46	£2,300	£49	£2,450
Water Regulations compliance fee (self-certified)	50	no.	£23	£1,150	£29	£1,450
Supply and install 25 mm service connection 2 to 5m in length in unmade ground	50	no.	£579	£28,950	£586	£29,300
Pre-occupancy charges	50	no.	£20	£1,000	£21	£1,050
Water Infrastructure charge	50	no.	£140	£7,000	£40	£2,000
Income offset	50	no.	£0	£0		£0
				£71,857		£68,873

Large housing development

Water:

- 200 new service connections off new mains – 3m unmade ground. This includes service pipe and boundary box fitting, excavation and reinstatement;
- New off-site connection to the existing main, including traffic management as described in scenario above;
- New mains required – total length 50m, consisting of
 - 180mm PE – 10m road surface (leading to the point of connection);
 - 180mm PE – 290m unmade surface;
 - 125mm PE – 300m unmade surface;
 - 90mm PE – 400m unmade surface

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design fee for up to 20 properties	1	no.	£373	£373	£375	£375
Mains design fee for additional multiples of 20 properties	9	no.	£68	£612	£68	£612
Mains administration fee	1	no.	£445	£445	£448	£448
Supply and construct 180 mm diameter PE water main - in made up ground	10	m	£191	£1,910	£199	£1,990
Supply and construct 180 mm diameter PE water main - in unmade ground	290	m	£87	£25,230	£90	£26,100
Supply and construct 125 mm diameter PE water main - in unmade ground	300	m	£66	£19,800	£69	£20,700
Supply and construct 90 mm diameter PE water main - in unmade ground	400	m	£63	£25,200	£65	£26,000
Service connection administration fee	200	no.	£46	£9,200	£49	£9,800
Water Regulations compliance fee (self-certified)	200	no.	£23	£4,600	£29	£5,800
Supply and install 25 mm service connection 2 to 5m in length in unmade ground	200	no.	£453	£90,600	£445	£89,000
Pre-occupancy charges	200	no.	£32	£6,400	£32	£6,400
Water Infrastructure charge	200	no.	£135	£27,000	£65	£13,000
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Sewer adoption application fee (includes initial administration)	1	no.	£500	£500	£500	£500
Sewer adoption legal fee (provision of a standard sewer adoption agreement)	1	no.	£219	£219	£220	£220
Wastewater infrastructure charge	200	no.	£235	£47,000	£235	£47,000
Income offset	200	no.	£0	£0	£0	£0
				£259,497		£248,356

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design fee for up to 20 properties	1	no.	£373	£373	£375	£375
Mains design fee for additional multiples of 20 properties	9	no.	£68	£612	£68	£612
Mains administration fee	1	no.	£445	£445	£448	£448
Supply and construct 180 mm diameter PE water main - in made up ground	10	m	£257	£2,570	£267	£2,670
Supply and construct 180 mm diameter PE water main - in unmade ground	290	m	£107	£31,030	£111	£32,190
Supply and construct 125 mm diameter PE water main - in unmade ground	300	m	£96	£28,800	£100	£30,000
Supply and construct 90 mm diameter PE water main - in unmade ground	400	m	£86	£34,400	£89	£35,600
Administration fee - connection to newly laid mains	200	no.	£46	£9,200	£49	£9,800
Water Regulations compliance fee (self-certified)	200	no.	£23	£4,600	£29	£5,800
Supply and install 25 mm service connection 3m in length in unmade ground	200	no.	£579	£115,800	£586	£117,200
Pre-occupancy charges	200	no.	£20	£4,000	£21	£4,200
Water Infrastructure charge	200	no.	£140	£28,000	£40	£8,000
Income offset	200	no.	£0	£0	£0	£0
				£259,933		£246,999

Self-laid scenario – based upon small housing development

Water:

- 10 new service connections off new mains – 3m unmade ground. This includes service pipe and boundary box fitting, excavation and reinstatement;
- New off-site connection to the existing main, including traffic management as described in scenario above;
- New mains required – total length 50m, consisting of
 - 90mm PE – 10m road surface (leading to the point of connection);
 - 90mm PE – 20m unmade surface;
 - 63mm PE – 20m unmade surface

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design approval fee	1	no.	£197	£197	£198	£198
Self lay administration fee	1	no.	£331	£331	£333	£333
Self lay legal fee	1	no.	£58	£58	£58	£58
Connection of self laid main to existing water mains	1	no.	£1,982	£1,982	£1,963	£1,963
Self laid service connection administration fee	20	no.	£34	£680	£35	£700
Charge for the provision of meters for SLPs to collect and install	20	no.	£22	£440	£46	£920
Water Regulations compliance fee (self-certified)	20	no.	£23	£460	£29	£580
Pre-occupancy charges	20	no.	£32	£640	£32	£640
Water Infrastructure charge	20	no.	£135	£2,700	£65	£1,300
Wastewater infrastructure charge	20	no.	£235	£4,700	£235	£4,700
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Sewer adoption application fee (includes initial administration)	1	no.	£500	£500	£500	£500
Sewer adoption legal fee (provision of a standard sewer adoption agreement)	1	no.	£219	£219	£220	£220
Income offset	20	no.	£0	£0	£0	£0
Charge for the development				£13,315		£12,523
Charge to SLP (i.e. excluding charges in shaded areas above)				£12,291		£11,496

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design approval fee	1	no.	£197	£197	£198	£198
Self lay administration fee	1	no.	£331	£331	£333	£333
Self lay legal fee	1	no.	£58	£58	£58	£58
Connection of self laid main to existing water mains	1	no.	£2,548	£2,548	£2,634	£2,634
Self laid service connection administration fee	20	no.	£34	£680	£35	£700
Charge for the provision of meters for SLPs to collect and install	20	no.	£22	£440	£46	£920
Water Regulations compliance fee (self-certified)	20	no.	£23	£460	£29	£580
Pre-occupancy charges	20	no.	£20	£400	£21	£420
Water Infrastructure charge	20	no.	£140	£2,800	£40	£800
Income offset	20	no.	£0	£0	£0	£0
Charge to SLP				£8,017		£6,747

Self-laid scenario – based upon medium housing development

Water:

- 50 new service connections off new mains – 3m unmade ground. This includes service pipe and boundary box fitting, excavation and reinstatement;
- New off-site connection to the existing main, including traffic management as described in scenario above;
- New mains required – total length 50m, consisting of
 - 180mm PE – 10m road surface (leading to the point of connection);
 - 180mm PE – 90m unmade surface;
 - 125mm PE – 100m unmade surface;
 - 90mm PE – 100m unmade surface

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design approval fee	1	no.	£197	£197	£198	£198
Self lay administration fee	1	no.	£331	£331	£333	£333
Self lay legal fee	1	no.	£58	£58	£58	£58
Connection of self laid main to existing water mains	1	no.	£2,237	£2,237	£2,213	£2,213
Administration fee - self laid connection	50	no.	£34	£1,700	£35	£1,750
Charge for the provision of meters for SLPs to collect and install	50	no.	£22	£1,100	£46	£2,300
Water Regulations compliance fee (self-certified)	50	no.	£23	£1,150	£29	£1,450
Pre-occupancy charges	50	no.	£32	£1,600	£32	£1,600
Water Infrastructure charge	50	no.	£135	£6,750	£65	£3,250
Wastewater infrastructure charge	50	no.	£235	£11,750	£235	£11,750
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Sewer adoption application fee (includes initial administration)	1	no.	£500	£500	£500	£500
Sewer adoption legal fee (provision of a standard sewer adoption agreement)	1	no.	£219	£219	£220	£220
Income offset	50	no.	£0	£0	£0	£0
				Charge for the development		£26,033
				Charge to SLP (i.e. excluding charges in shaded areas above)	£26,976	£25,006

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design approval fee	1	no.	£197	£197	£198	£198
Self lay administration fee	1	no.	£331	£331	£333	£333
Self lay legal fee	1	no.	£58	£58	£58	£58
Connection of self laid main to existing water mains	1	no.	£2,851	£2,851	£2,945	£2,945
Administration fee - self laid connection	50	no.	£34	£1,700	£35	£1,750
Charge for the provision of meters for SLPs to collect and install	50	no.	£22	£1,100	£46	£2,300
Water Regulations compliance fee (self-certified)	50	no.	£23	£1,150	£29	£1,450
Pre-occupancy charges	50	no.	£20	£1,000	£21	£1,050
Water Infrastructure charge	50	no.	£140	£7,000	£40	£2,000
Income offset	50	no.	£0	£0	£0	£0
				Charge to SLP	£15,490	£12,188

Self-laid scenario – based upon large housing development

Water:

- 200 new service connections off new mains – 3m unmade ground. This includes service pipe and boundary box fitting, excavation and reinstatement;
- New off-site connection to the existing main, including traffic management as described in scenario above;
- New mains required – total length 50m, consisting of
 - 180mm PE – 10m road surface (leading to the point of connection);
 - 180mm PE – 290m unmade surface;
 - 125mm PE – 300m unmade surface;
 - 90mm PE – 400m unmade surface

Wastewater – include all relevant non-contestable charges related to new sewers, including wastewater infrastructure charges and income offsets. Sewer construction costs should be provided where applicable

Northumbrian area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design approval fee	1	no.	£197	£197	£198	£198
Self lay administration fee	1	no.	£331	£331	£333	£333
Self lay legal fee	1	no.	£58	£58	£58	£58
Connection of self laid main to existing water mains	1	no.	£2,237	£2,237	£2,213	£2,213
Administration fee - self laid connection	200	no.	£34	£6,800	£35	£7,000
Charge for the provision of meters for SLPs to collect and install	200	no.	£22	£4,400	£46	£9,200
Water Regulations compliance fee (self-certified)	200	no.	£23	£4,600	£29	£5,800
Pre-occupancy charges	200	no.	£32	£6,400	£32	£6,400
Water Infrastructure charge	200	no.	£135	£27,000	£65	£13,000
Wastewater infrastructure charge	200	no.	£235	£47,000	£235	£47,000
Sewer connection application fee	1	no.	£105	£105	£106	£106
Sewer connection administration fee	1	no.	£200	£200	£201	£201
Sewer adoption application fee (includes initial administration)	1	no.	£500	£500	£500	£500
Sewer adoption legal fee (provision of a standard sewer adoption agreement)	1	no.	£219	£219	£220	£220
Income offset	200	no.	£0	£0	£0	£0
Charge for the development				£100,150		£92,333
Charge to SLP (i.e. excluding charges in shaded areas above)				£99,126		£91,306

Essex & Suffolk area

Charge item	Length or Quantity	Unit	Rate 20/21	Charge 20/21	Rate 21/22	Charge 21/22
Water mains application fee (valid POC)	1	no.	£103	£103	£104	£104
Mains design approval fee	1	no.	£197	£197	£198	£198
Self lay administration fee	1	no.	£331	£331	£333	£333
Self lay legal fee	1	no.	£58	£58	£58	£58
Connection of self laid main to existing water mains	1	no.	£2,851	£2,851	£2,945	£2,945
Administration fee - self laid connection	200	no.	£34	£6,800	£35	£7,000
Charge for the provision of meters for SLPs to collect and install	200	no.	£22	£4,400	£46	£9,200
Water Regulations compliance fee (self-certified)	200	no.	£23	£4,600	£29	£5,800
Pre-occupancy charges	200	no.	£20	£4,000	£21	£4,200
Water Infrastructure charge	200	no.	£140	£28,000	£40	£8,000
Income offset	200	no.	£0	£0	£0	£0
Charge to SLP				£51,340		£37,838

Example of consultation material issued to stakeholders



Changes to charges for new developments from 1 April 2021

Dear customer

The purpose of this communication is to advise customers of Northumbrian Water and Essex & Suffolk Water of significant changes that we are proposing and to invite you to feedback any comments that you may have.

On or before 1 February 2021, we will be publishing our new charges for the work we carry out in support of new developments. The new charges will apply for the period 1 April 2021 to 31 March 2022.

Proposed changes to our charges from April 2021

a) Infrastructure charges

We are required to match our infrastructure charge income to our forecast of network reinforcement costs. To do so, we periodically review the reinforcement requirements required to support new development growth. This enables us to determine whether we need to alter our water and wastewater infrastructure charges.

Since 1 April 2018 we have reduced our water infrastructure charges significantly from £365 per house in both our Northumbrian and Essex & Suffolk areas¹. We have reassessed our forecast of water network reinforcement requirements and determined that, if the current trend continues, we will require less income than originally forecast to fund the anticipated reinforcement up to 31 March 2023. We therefore intend to reduce our water infrastructure charges further from £135 to around £70 per house in the Northumbrian area and from £140 to around £45 in our Essex & Suffolk area for the charging year that begins on 1 April 2021.

In the Northumbrian area we have also reduced our wastewater infrastructure charges from £365 per house to a charge of £235 per house in 2019/20². We have reviewed the forecast of network reinforcement expenditure that is anticipated on our sewerage network and propose to maintain our wastewater infrastructure charges at around £235 per house next year.

We will continue to offer incentives for water efficient houses and those where surface water drains away from our existing sewers.

¹ We introduced a scheme to incentivise developers to construct water efficient houses. Where a house meets certain water efficiency eligibility criteria (105 litres per capita per day) we charge zero infrastructure charges, on receipt of a relevant claim.

² We introduced a scheme to incentivise developers to construct houses that drain surface water away from our existing sewers. In such cases we charge a wastewater infrastructure charge of £50 currently for eligible houses.



b) Income offsets

Ofwat's Charging Rules for New Connections includes the provision for water companies to include an income offset against their infrastructure charges in order to maintain the balance of charges to customers that existed prior to 1 April 2018.

As was the case in 2020/21, a zero income offset is required from 1 April 2021 to maintain the balance of charges.

c) Service connection charges - construction

In the Northumbrian area we have recently changed our supply partner that installs communication pipes (service connections), water meters and meter housings.

We have also changed the type of water meter to be installed on service connections to most houses and small commercial properties. This has resulted in a slight increase in our materials costs across both the Northumbrian and Essex & Suffolk areas.

As a consequence of the changes above, in the Northumbrian area, our charges will reduce for those service connections that are made to newly laid water mains, where the customer has excavated the ground in advance to allow the connection to take place. This type of connection is typical on larger new development sites.

To illustrate how these changes affect costs we have chosen the most common type of connection we carry out for our developer customers. That is a 25 millimetre diameter connection to a newly laid water main in ground that is pre-excavated by the customer.

- For Northumbrian's customers, the construction charge for this type of connection will reduce from £297 to around £250 per connection
- For Essex & Suffolk's customers, the construction charge for this type of connection will increase from £243 to around £265 per connection

The change of supply partner in the Northumbrian area and the additional meter costs has meant that our costs for service connections to existing water mains will increase. The connections that are affected by this change are those where we are required to excavate and reinstate the ground in the public highway to make the connection. We expect the increase in charge for these connections to be no more 10% compared with our current charges

d) Water mains construction charges

We expect our charges for constructing water mains to be broadly similar to 2020/21.

This includes water mains laid:

- Under requisition for a developer
- As non-contestable and contestable works for Self Lay Providers (SLP) or New Appointment and Variations (NAV)

23 December 2020



- e) Water - Application, administration, inspection, design and design approval fees etc.

We expect the above charges for developer, SLP and NAV customers to be broadly similar to 2020/21

- f) Wastewater - Application, administration, inspection, design approval fees, deposits and construction fees etc.

We expect the above charges for developer and NAV customers to be broadly similar to 2020/21

Future changes to new connections charges post April 2022

We are giving customers advance notice of changes that are likely to happen to connection charges from April 2022 as a result of a consultation that Ofwat carried out in May of 2020. The conclusions of that consultation can be found on their website:

<https://www.ofwat.gov.uk/wp-content/uploads/2020/11/New-Connections-Charges-Consultation-Conclusions-document.pdf>

The outcome of the consultation means that English water companies' Charging Arrangements documents will include common charging terminology from April 2022 and there will be greater consistency amongst companies in the methodologies that they use calculate their charges. We will be contributing to the work to be undertaken by the sector during 2021 to achieve the objectives above.

Your feedback

We hope that this communication is useful in helping you to understand the more significant things will change from next April. If you have any comments that you would like to share with us, we would be pleased to hear from you by 19 January 2021. You can write to us using our email address ConnectConsult@nwl.co.uk