

2026–27 New Connection Charges

Statement of significant changes

We are delighted to confirm that our charges for providing new connection services during 2026-27 will remain stable when compared to 2025-26, as set out in Ofwat's Common Terms and Worked Examples.

This is the second year of setting annual charges under the regulatory framework for new connection services which runs from April 2025 to 2030.

Introduction

Like all English water companies providing new connections, we follow the 'Charging Rules for New Connections Services (English Undertakers)'. The Rules allow us to charge developers to cover the reasonable costs of providing new connections.

Each year we review our charges to make sure they are in line with our costs. For the year 2026-27, overall charges are stable with increases of less than 7.2%, for a single new connection and less than 4.5% for typical medium and large developments - well within the Ofwat significant change threshold of 10%.

Our 2026-27 changes

When setting charges, water companies like Severn Trent must follow Ofwat's rules. In addition, we have several priorities:

- A transparent scheme of charges that reflects all reasonable costs; and
- A level playing field so everyone in the market can compete fairly, such as developers, Self-lay organisations and New Appointments.

These are our second annual charges under the regulatory framework which runs from April 2025 to 2030. Our underlying charges for providing new connections in 2026-27 will remain stable when compared to 2025-26.

To keep bills stable we have smoothed a handful of administrative charge increases across future charging years, when we expect to optimise efficiencies.

Our developer customers will continue to benefit from our evolved environmental incentive scheme when building sustainable new homes. This offers discounts for permeable surfaces, rain gardens and reduced water use. This means developer customers can more than offset the environmental component combined charge of £91.76 with a reduction (for water and wastewater) of between £350 and £650 per property.

Where possible, we work with our developer customers to help us shape our New Connection Charging Arrangements. We then provide transparency to help developers forecast their future costs more easily. In addition, we have online tools so developers can get a reasonable estimate of their overall connection costs.

Typical Development Worked Examples

Below are several worked examples for typical developments, as provided by Ofwat, that set out year-on-year comparable charges for different customer groups. We have detailed all of these in our published charging arrangement document.

For all seven typical development scenarios, we use the prescribed sector template to document the relevant charge elements, with the total charge summarised to show overall year-on-year movement.

Please note that all relevant sewerage connection scenarios include a S106 application fee only, to allow for industry comparability.

Example 1: Single connection to a house from an existing main

This worked example provides charges for a single connection to an existing water main of 90mm diameter polyethylene (PE).

We've included the associated application fee for connection to an existing sewer, which is completed by the Developer Customer. This charge is specified under 'Other Charges'.

Within construction charges this includes: service pipe installation, boundary box fitting, meter installation, excavation and reinstatement.

Pipework:

- 25 – 32mm diameter PE pipe
- 4m pipework in road

Traffic management assumes the road (Type 3-4) is 40mph, has two lanes and does not require a road closure or lane closure. Two-way automated lights are required. There is also an assumption that the only payable local authority/council charges are for permitting.

| Delivery method | 2025-26 Total | 2026-27 Total | Variance | Percentage |
|--------------------------|---------------|---------------|----------|------------|
| Severn Trent delivery | £3,847.67 | £4,123.19 | £275.52 | 7.16% |
| Self-Lay related charges | N/A | N/A | N/A | N/A |

Note: All developer customers have the opportunity to reduce their overall charges through the Environmental Incentive Scheme.

Example 1a: Single connection from an existing main to four properties using a four-port manifold

This worked example provides charges for a block of four properties converted from a single property that are to be connection to an existing main of 90mm diameter PE. Each property is individually metered.

We've included the associated application fee for connection to an existing sewer, which is completed by the Developer Customer. This charge is specified under 'Other Charges'.

Within construction charges it includes: service pipe installation, boundary box fitting, meter installation, excavation and reinstatement.

Pipework:

- 25 – 32mm diameter PE pipe
- 4m pipework in road, 4m pipework in unmade ground

Traffic management assumes the road (Type 3-4) is 40mph, has two lanes and does not require a road closure or lane closure. Two-way automated lights are required. There is also an assumption that the only payable local authority/council charges are for permitting.

| Delivery method | 2025-26 Total | 2026-27 Total | Variance | Percentage |
|--------------------------|---------------|---------------|----------|------------|
| Severn Trent delivery | £9,109.11 | £9,043.37 | -£65.74 | -0.72% |
| Self-Lay related charges | N/A | N/A | N/A | N/A |

Note: All developer customers have the opportunity to reduce their overall charges through the Environmental Incentive Scheme.

Example 2: Single connection to a block of flats from an existing main

This worked example provides charges for a block of 10 flats to be connected to an existing water main of 90mm diameter polyethylene (PE). Each flat is individually metered.

We’ve included the associated application fee for connection to an existing sewer, which is completed by the Developer Customer. This charge is specified under ‘Other Charges’.

Within construction charges it includes: service pipe installation, boundary box fitting, meter installation, excavation and reinstatement.

Pipework:

- 63mm diameter PE pipe
- 4m pipework in road, 4m pipework in unmade ground

Traffic management assumes the road (Type 3-4) is 40pmh, has two lanes and does not require a road closure or lane closure. Two-way automated lights are required. There is also an assumption that the only payable local authority/council charges are for permitting.

| Delivery method | 2025-26 total | 2026-27 total | Variance | Percentage |
|--------------------------|---------------|---------------|----------|------------|
| Severn Trent delivery | £12,620.48 | £12,950.59 | £330.11 | 2.61% |
| Self-Lay related charges | N/A | N/A | N/A | N/A |

Note: All developer customers have the opportunity to reduce their overall charges through the Environmental Incentive Scheme

Example 3: Medium housing development requiring new mains and communication pipes (excavation and reinstatement by others)

This worked example provides charges associated with the provision of new water mains with individual connections from them for each of the 50 new houses.

We’ve included the associated application fee for connection to an existing sewer, which is completed by the Developer Customer. This charge is specified under ‘Other Charges’.

This worked examples assumes excavation and reinstatement activities are completed by others, except for the excavation leading to the connection to the existing water main.

Within construction charges this includes: mains laying, service pipe installation, boundary box fitting and meter installation.

| Technical Specification (Connection) | Technical Specification (Mains) |
|---|--|
| <p>Pipework (no excavation):</p> <ul style="list-style-type: none">• Connection to existing main of 180mm diameter PE• 3m pipework laying (per communication pipe) | <p>Pipework: Total length 300m, consisting of:</p> <ul style="list-style-type: none">• 125mm diameter PE – 10m road type 3-4 (leading to the point of connection to an existing water main)• 125mm diameter PE – 190m• 90mm diameter PE – 100m |

Design Considerations:

- 180mm diameter existing main, serving 150 existing customers

- Three commissioning phases
- Three sample chlorination and connections – footpath
- Four washouts – unmade ground
- Five valves (1 x 150mm, 3 x 100mm, 1 x 80mm) – unmade ground
- One trial hole – unmade ground

Traffic management assumes the road (Type 3-4) is 50pmh, has two lanes and requires a road closure and eight parking bay suspensions. Additional local authority/council charges for permitting should be included.

| Delivery method | 2025-26 total | 2026-27 total | Variance | Percentage |
|--------------------------|---------------|---------------|-----------|------------|
| Severn Trent delivery | £83,231.36 | £85,229.08 | £1,997.72 | 2.40% |
| Self-Lay related charges | £43,668.24 | £43,949.77 | £281.53 | 0.65% |
| NAV related charges | £41,985.58 | £42,339.79 | £354.21 | 0.84% |

Notes: All developer customers have the opportunity to reduce their overall charges through the Environmental Incentive Scheme.

Example 4: Medium housing development requiring new mains and communication pipes (excavation and reinstatement by Water Company)

This worked example provides charges associated with the provision of new water mains and individual connections from them for each of the 50 new houses.

We've included the associated application fee for connection to an existing sewer, which is completed by the Developer Customer. This charge is specified under 'Other Charges'.

This worked example assumes excavation and reinstatement activities are completed by the Water Company. However, should the developer appoint an SLP or NAV, this worked example assumes these (and other contestable items) would be carried out by the SLP or NAV.

Within construction charges this includes: mains laying, service pipe installation, boundary box fitting, meter installation, excavation and reinstatement.

| Technical Specification (Connection) | Technical Specification (Mains) |
|---|---|
| Pipework (unmade ground): <ul style="list-style-type: none"> • Connection to Existing Main of 180mm diameter PE • 3m pipework laying (per communication pipe) | Pipework: Total length 300m, consisting of: <ul style="list-style-type: none"> • 125mm diameter PE – 10m pipework in road (leading to the point of connection to an existing 180mm PE main) • 125mm diameter PE – 50m pipework in footpath • 125mm diameter PE – 140m pipework in unmade ground • 90mm diameter PE – 100m pipework in unmade ground |

Design Considerations:

- 180mm diameter existing main, serving 150 existing customers
- Three commissioning phases
- Three sample chlorination and connections – footpath
- Four washouts – unmade ground
- Five valves (1 x 150mm, 3 x 100mm, 1 x 80mm) – unmade ground
- One trial hole – unmade ground

Traffic management assumes the road (Type 3-4) is 50pmh, has two lanes and requires a road closure and eight parking bay suspensions. Additional local authority/council charges for permitting should be included.

| Delivery method | 2025-26 total | 2026-27 total | Variance | Percentage |
|--------------------------|---------------|---------------|-----------|------------|
| Severn Trent delivery | £126,786.67 | £132,051.43 | £5,264.76 | 4.15% |
| Self-Lay related charges | £43,668.24 | £43,949.77 | £281.53 | 0.65% |
| NAV related charges | £41,985.58 | £42,339.79 | £354.21 | 0.84% |

Notes: All developer customers have the opportunity to reduce their overall charges through the Environmental Incentive Scheme.

Example 5: Large housing development requiring new mains and communication pipes (excavation and reinstatement by others)

This worked example provides charges associated with the provision of new water mains and the individual connections for each of the 200 new houses.

We've included the associated application fee for connection to an existing sewer, which is completed by the Developer Customer. This charge is specified under 'Other Charges'.

This worked example assumes excavation and reinstatement activities are completed by others, except for the excavation leading to the point of connection to the existing water main.

Within construction charges this includes: mains laying, service pipe installation, boundary box fitting and meter installation.

| Technical Specification (Connection) | Technical Specification (Mains) |
|---|---|
| Pipework (unmade ground): <ul style="list-style-type: none"> • Connection to existing main of 180mm diameter PE • 3m pipework laying (per communication pipe) | Pipework: Total length 1,000m, consisting of: <ul style="list-style-type: none"> • 180mm diameter PE – 20m pipework in type 3-4 (leading to the point of connection) • 180mm diameter PE – 100m pipework • 125mm diameter PE – 480m pipework • 90mm diameter PE – 400m pipework |

Design Considerations:

- 250mm diameter existing main, serving 150 existing customers
- Six commissioning phases
- Six sample chlorination and connections – footpath
- Ten washouts – unmade ground
- Eight valves (1 x 150mm, 5 x 100mm, 2 x 80mm) – unmade ground
- Two trial hole – unmade ground

Traffic management assumes the road (Type 3-4) is 50pmh, has two lanes and requires a road closure and eight parking bay suspensions. Additional local authority/council charges for permitting should be included.

| Delivery method | 2025-26 total | 2026-27 total | Variance | Percentage |
|--------------------------|---------------|---------------|-----------|------------|
| Severn Trent delivery | £277,804.52 | £282,129.87 | £4,325.35 | 1.56% |
| Self-Lay related charges | £152,937.50 | £153,084.85 | £147.35 | 0.10% |
| NAV related charges | £148,240.62 | £148,103.65 | -£136.97 | -0.10% |

Notes: All developer customers have the opportunity to reduce their overall charges through the Environmental Incentive Scheme.

Example 6: Large housing development requiring new mains and communication pipes (excavation and reinstatement by Water Company)

This worked example provides charges associated with the provision of new water mains and the individual connections for each of 200 new houses.

We’ve included the associated application fee for connection to an existing sewer, which is completed by the Developer Customer. This charge is specified under ‘Other Charges’.

This worked examples assumes excavation and reinstatement activities are carried out by the Water Company, however, should the developer appoint an SLP or NAV, this worked example assumes these (and other contestable items) would be carried out by the SLP or NAV.

Within construction charges this includes: mains laying, service pipe installation, boundary box fitting, meter installation, excavation and reinstatement.

| Technical Specification (Connection) | Technical Specification (Mains) |
|--|---|
| Pipework (unmade ground): <ul style="list-style-type: none">• Connection to existing main of 180mm diameter PE• 3m pipework laying (per communication pipe) | Pipework: Total length 1,000m, consisting of: <ul style="list-style-type: none">• 180mm diameter PE – 20m pipework in type 3-4 road (leading to the point of connection)• 180mm diameter PE – 100m pipework in footpath• 125mm diameter PE – 480m pipework in unmade ground• 90mm diameter PE – 400m pipework in unmade ground |

Design Considerations:

- 250mm diameter existing main, serving 150 existing customers
- Six commissioning phases
- Six sample chlorination and connections – footpath
- Ten washouts – unmade ground
- Eight valves (1 x 150mm, 5 x 100mm, 2 x 80mm) – unmade ground
- Two trial hole – unmade ground

Traffic management assumes the road (Type 3-4) is 50pmh, has two lanes and requires a road closure and eight parking bay suspensions. Additional local authority/council charges for permitting should be included.

| Delivery method | 2025-26 total | 2026-27 total | Variance | Percentage |
|--------------------------|---------------|---------------|------------|------------|
| Severn Trent delivery | £431,534.34 | £448,148.80 | £16,614.46 | 3.85% |
| Self-Lay related charges | £152,937.50 | £153,084.85 | £147.35 | 0.10% |
| NAV related charges | £148,240.62 | £148,103.65 | -£136.97 | -0.10% |

Notes: All developer customers have the opportunity to reduce their overall charges through the Environmental Incentive Scheme.