

2021–22 New Connection Charges

Statement of significant changes

Introduction

Each year the 'Charging Rules for New Connections Services (English Undertakers)' and the 'Charges Scheme Rules' permits recovery of the reasonably incurred costs of carrying out new connections activity, and every year we refresh our assessments to set our charges for the coming year. The purpose of this document is to highlight if charges paid on typical developments in 2020-21 will increase by more than 10% in 2021-22 and explain how we've managed any impacts that such increases will have on our customers.

This year's changes

There will be no significant changes for 2021-22 as developer charges will not rise by more than 10%. This supports the Ofwat principle of providing bill stability and is demonstrated below:

	Purpose	2020-21 values		2021-22 values		Charge changes are all <=10%	
Covers fixed activity	Application Fee	Covers front-end administrative activities up to providing a quote		£1,781.92 (new mains) £141.22 (Std Conn)	£1,781.92 (new mains) £155.34 (Std Conn)	↔ ↑	
	Infrastructure Charges	Income used to cover network reinforcement costs required to cater for newly connected properties/new development schemes		£395.00 £291.59	£686.59 (both) £320.74 (both)	↓ (£39.50) ↑ (£29.15)	↓ (£10.35) for both
	Income offset	Offsetting mains construction costs to account for future income		£479.12 £90.00	£569.12 (both) £81.00 (both)	↑ (£47.91) ↓ (£9.00)	↑ (£38.91) for both
Site specific activity	Connection Charge	Individual service connections to each new property		£327.45 (0-5m no ex) £1,412.29 (0-5m Highway)	£360.19 (0-5m no ex) £1,478.31 (0-5m Highway)	↑ (£32.74) Per Conn ↑ (£66.02) Per Conn	
	Mains Requisitions	Laying new water mains to serve a development or adopting a new water mains laid by a SLP		PE – menu of rates	PE – menu of rates	Scheme specific - AMP 7 rates	
				Barrier pipe – menu of rates	Barrier pipe – menu of rates	Scheme specific - AMP 7 rates	
	Waste Inspection and Bond Charges	Covers the end-to-end process of adopting new sewers.		£10.67 (inspection) £42.68 (bond)	£10.69 (inspection) £42.78 (bond)	Inflation only	

Bill stability scenarios

Below are a number of worked examples for typical developments that bring the changes to life for different customer groups:

Single short connection

Description of the works:

- Single connection to existing mains – no new mains/sewer required
- 25-32mm Polyethylene (PE) pipework
- Short connection – 4m road surface (excavate & lay rate)
- Two way traffic lights included within connection charges (without manual control)
- Assumed the sewer connection is not in highway and connection is for a new build

Please note:

- Application fees, infrastructure charges and income offset figures reflect both the water and sewerage charges

2020-21 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£348.10	£1,412.29	£686.59	-£569.12	£0.00	£1,877.86

2021-22 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£382.91	£1,478.31	£676.24	-£608.03	£0.00	£1,929.43

Variance: £51.57 or 3%

Single long connection

Description of the works:

- Single connection to existing mains – no new mains/sewer required
- 25-32mm PE pipework
- Long connection – 4m road surface and 4m in unmade ground (excavate & lay rate)
- Two way traffic lights included within connection charges (without manual control)
- Assumed the sewer connection is not in highway and connection is for a new build

Please note:

- Application fees, infrastructure charges and income offset figures reflect both the water and sewerage charges

2020-21 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£348.10	£1,867.71	£686.59	-£569.12	£0.00	£2,333.28

2021-22 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£382.91	£1,979.28	£676.24	-£608.03	£0.00	£2,430.40

Variance: £97.12 or 4%

New block of flats – short connection

Description of the works:

- 10 new units connected to an existing main – no new mains/sewer required
- Large diameter (63mm) water connection - no barrier pipe
- Short connection – 4m road surface (excavate & lay rate)
- Two way traffic lights included within connection charges (without manual control)
- Connection assumed under pressure
- Assumed the sewer connection is not in highway and connection is for a new build

Please note:

- Application fees, infrastructure charges and income offset figures reflect both the water and sewerage charges

2020-21 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£481.75	£3,258.93	£6,865.90	-£5,691.20	£366.41	£5,281.79

2021-22 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£529.91	£3,080.42	£6,762.40	-£6,080.30	£399.96	£4,692.39

Variance: -£589.40 or -11%**New block of flats – long connection**

Description of the works:

- 10 new units connected to an existing main – no new mains/sewer required
- Large diameter (63mm) water connection – no barrier pipe
- Short connection – 4m road surface (excavate & lay rate)
- Two way traffic lights included within connection charges (without manual control)
- Connection assumed under pressure
- Assumed the sewer connection is not in highway and connection is for a new build

Please note:

- Application fees, infrastructure charges and income offset figures reflect both the water and sewerage charges

2020-21 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£481.75	£3,861.13	£6,865.90	-£5,691.20	£366.41	£5,883.99

2021-22 charges

App fees (water & sewerage)	Connection charges	Infrastructure charge (water and sewerage)	Income offset (water and sewerage)	Meter charges	Total
£529.91	£4,156.86	£6,762.40	-£6,080.30	£399.96	£5,768.83

Variance: -£115.16 or -2%

Small housing development

Description of the works:

- 10 new connections off a new mains
- New mains has a total length 50m, consisting of
 - 90mm PE – 10m road surface (type 1/2 carriageway used) (excavate & lay rate)
 - 90mm PE – 20m unmade surface (excavate & lay rate)
 - 63mm PE – 20m unmade surface (excavate & lay rate)
- Two way traffic lights are included within new mains charges
- Service connections are 25-32mm short connections with no excavation
- Sewer adoption inspection costs based on new sewer laid by the developer of 50m
- Assumed the sewer connection is not in highway

Please note:

- Application fees, infrastructure charges and income offset figures reflect both the water and sewerage charges
- Application fees include the cost of the design activity
- The mains charges are based on a menu of rates approach which provides charges which are specific to the individual requirements of each scheme. For the schemes within this document a series of assumptions have been made, from simple traffic management through to the number of fittings included to arrive at the mains requisition charges for both years. Likewise we're required to provide examples which include 10m of pipework within the carriageway (mains connection length), in reality standard schemes will have up to 22m of mains connection length. These are indicative charges.

2020-21 charges

App fees	Mains requisition charges	Sewer inspection charges	Connection charges	Infra. charges	Income offset	Meter charges	Total
£1,715.35	£18,111.13	£533.50	£3,274.50	£6,865.90	-£5,691.20	£0.00	£24,809.18

2021-22 charges

App fees	Mains requisition charges	Sewer inspection charges	Connection charges	Infra. charges	Income offset	Meter charges	Total
£1,738.39	£18,810.57	£534.50	£3,601.90	£6,762.40	-£6,080.30	£0.00	£25,367.46

Variance: £558.28 or 2%

Medium housing development

Description of the works:

- 50 new connections off a new mains
- New mains has a total length 300m, consisting of
 - 180mm PE – 10m road surface (type 1/2 carriageway used) (excavate & lay rate)
 - 180mm PE – 90m unmade surface (excavate & lay rate)
 - 125mm PE – 100m unmade surface (excavate & lay rate)
 - 90mm PE – 100m unmade surface (excavate & lay rate)
- Two way traffic lights are included within new mains charges
- Service connections are 25-32mm short connections with no excavation
- Sewer adoption inspection costs based on new sewer laid by the developer of 300m
- Assumed the sewer connection is not in highway

Please note:

- Application fees, infrastructure charges and income offset figures reflect both the water and sewerage charges
- Application fees include the cost of the design activity
- The mains charges are based on a menu of rates approach which provides charges which are specific to the individual requirements of each scheme. For the schemes within this document a series of assumptions have been made, from simple traffic management through to the number of fittings included to arrive at the mains requisition charges for both years. Likewise we are required to provide examples which include 10m of pipework within the carriageway (mains connection length), in reality standard schemes will have up to 22m of mains connection length. These are indicative charges.

2020-21 charges

App fees	Mains requisition charges	Sewer inspection charges	Connection charges	Infra. charges	Income offset	Meter charges	Total
£1,715.35	£36,914.09	£3,201.00	£16,372.50	£34,329.50	-£28,456.00	£0.00	£64,076.44

2021-22 charges

App fees	Mains requisition charges	Sewer inspection charges	Connection charges	Infra. charges	Income offset	Meter charges	Total
£1,738.39	£38,447.08	£3,207.00	£18,009.50	£33,812.00	-£30,401.50	£0.00	£64,812.47

Variance: £736.03 or 1%

Large housing development

Description of the works:

- 200 new connections off a new mains
- New mains has a total length 1000m, consisting of
 - 180mm PE – 10m road surface (type 1/2 carriageway used) (excavate & lay rate)
 - 180mm PE – 290m unmade surface (excavate & lay rate)
 - 125mm PE – 300m unmade surface (excavate & lay rate)
 - 90mm PE – 400m unmade surface (excavate & lay rate)
- Two way traffic lights are included within new mains charges
- Service connections are 25-32mm short connections with no excavation
- Sewer adoption inspection costs based on new sewer laid by the developer of 1000m
- Assumed the sewer connection is not in highway

Please note:

- Application fees, infrastructure charges and income offset figures reflect both the water and sewerage charges
- Application fees include the cost of the design activity
- The mains charges are based on a menu of rates approach which provides charges which are specific to the individual requirements of each scheme. For the schemes within this document a series of assumptions have been made, from simple traffic management through to the number of fittings included to arrive at the mains requisition charges for both years. Likewise we're required to provide examples which include 10m of pipework within the carriageway (mains connection length), in reality standard schemes will have up to 22m of mains connection length. These are indicative charges.

2020-21 charges

App fees	Mains requisition charges	Sewer inspection charges	Connection charges	Infra. charges	Income offset	Meter charges	Total
£1,715.35	£92,997.82	£10,670.00	£65,490.00	£137,318.00	-£113,824.00	£0.00	£194,367.17

2021-22 charges

App fees	Mains requisition charges	Sewer inspection charges	Connection charges	Infra. charges	Income offset	Meter charges	Total
£1,738.39	£96,609.85	£10,690.00	£72,038.00	£135,248.00	-£121,606.00	£0.00	£194,718.24

Variance: £351.07 or 0.18%

Self Lay scenarios**Small housing development**

Description of the works:

- 10 new connections off a new mains
- The source of water connection (connection between existing main and new main) is for 90mm PE main which includes 10m road surface (type 1/2 carriageway used) (excavate & lay rate) and associated fittings
- Two way traffic lights are included within new mains charges

Please note:

- Only charges pertinent to the Self Lay provider have been included in the figures below, for example sewerage inspection charges have been excluded
- Application fees only relate to water and not to sewerage
- Infrastructure charges and income offset cover both water and sewerage rates

2020-21 charges

App fees	SOW charges	Self Lay admin fees	Infrastr. charges	Income offset	Total
£1,484.93	£9,280.50	£993.50	£6,865.90	-£5,691.20	£12,933.63

2021-22 charges

App fees	SOW charges	Self Lay admin fees	Infrastr. charges	Income offset	Total
£1,484.93	£9,706.47	£1,000.50	£6,762.40	-£6,080.30	£12,874.00

Variance: -£59.63 or -0.46%

Medium housing development

Description of the works:

- 50 new connections off a new mains
- The source of water connection (connection between existing main and new main) is for 180mm PE main which includes 10m road surface (type 1/2 carriageway used) (excavate & lay rate) and associated fittings
- Two way traffic lights are included within new mains charges

Please note:

- Only charges pertinent to the Self Lay provider have been included in the figures below, for example sewerage inspection charges have been excluded
- Application fees only relate to water and not to sewerage
- Infrastructure charges and income offset cover both water and sewerage rates

2020-21 charges

App fees	SOW charges	Self Lay admin fees	Infrastr. charges	Income offset	Total
£1,484.93	£11,130.64	£4,967.50	£34,329.50	-£28,456.00	£23,456.57

2021-22 charges

App fees	SOW charges	Self Lay admin fees	Infrastr. charges	Income offset	Total
£1,484.93	£11,731.46	£5,002.50	£33,812.00	-£30,401.50	£21,629.39

Variance: -£1,827.18 or -8%

Large housing development

Description of the works:

- 200 new connections off a new mains
- The source of water connection (connection between existing main and new main) is for 180mm PE main which includes 10m road surface (type 1/2 carriageway used) (excavate & lay rate) and associated fittings
- Two way traffic lights are included within new mains charges

Please note:

- Only charges pertinent to the Self Lay provider have been included in the figures below, for example sewerage inspection charges have been excluded
- Application fees only relate to water and not to sewerage
- Infrastructure charges and income offset cover both water and sewerage rates

2020-21 charges

App fees	SOW charges	Self Lay admin fees	Infrastr. charges	Income offset	Total
£1,484.93	£16,331.18	£19,870.00	£137,318.00	-£113,824.00	£61,180.11

2021-22 charges

App fees	SOW charges	Self Lay admin fees	Infrastr. charges	Income offset	Total
£1,484.93	£17,395.11	£20,010.00	£135,248.00	-£121,606.00	£52,532.04

Variance: -£8,648.07 or -14%

Managing changes in New Connections charges

While charges aren't increasing above 10% we still undertake a programme of engagement with developer customers to help them predict costs for their schemes with relative ease.