

# 2022–23 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 connection 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 2021-22 will increase by more than 10% in 2022-23 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 2022-23 as developer charges will not rise by more than 10%. This supports the Ofwat principle of providing stable and predictable charges, is demonstrated below:

## SUMMARY OF YEAR-ON-YEAR £ AND % CHANGE

	Purpose	2021-22 values	2022-23 values	Change
Covers fixed activity & not site specific	<b>Application Fee</b>	£1,781.92 (new mains) £155.34 (Std Conn) £108.61 (106 Waste)	£1,781.92 (new mains) £170.86 (Std Conn) £97.76 (106 Waste)	↔ ↑ £15.52/9.99% ↓ £10.85/9.99%
	<b>Infrastructure Charges</b>	£355.50 (water) £320.74 (waste)	£363.34 (water) £295.37 (waste)	↑ £7.84/2.2% Per plot ↓ £25.37/7.9% Per plot
	<b>Income offset / Asset Payments</b>	£527.03 (water) £81.00 (waste)	£474.37 (water) £72.91 (waste)	↓ £52.66/9.99% Per plot ↓ £8.09/9.99% Per plot
		£676.24 (both) £608.03 (both)	£658.71 (both) £547.28 (both)	↓ £17.53/2.6% for both ↓ £60.75/9.99% for both
Site specific activity	<b>Connection Charge</b>	£360.19 (0-5m no ex) £1,139.91 (0-5m Highway)	£360.19 (0-5m no ex) £1,253.79 (0-5m Highway)	↔ Held flat ↑ £113.88/9.99% Per Conn
	<b>Mains Requisitions</b>	PE – menu of rates Barrier pipe – menu of rates	PE – menu of rates Barrier pipe – menu of rates	Scheme specific AMP 7 rates Scheme specific AMP 7 rates
	<b>Waste Inspection and Bond Charges</b>	£10.69 (inspection) £42.78 (bond)	£10.69 (inspection) £42.78 (bond)	↔ Held flat Full Review 2022-23

### Bill stability scenarios

Below are several worked examples for typical developments, as provided by Ofwat, that bring the year-on-year changes to life for different customer groups, all of which will be included within our published charging arrangement document.

For all six typical development scenarios the relevant charge elements were documented within the prescribed sector template and the total charge summarised below to evidence the year-on-year overall charge change at less than ten percent.

#### 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). If applicable, the worked example should include the associated charges for a single property

connection to an existing sewer, which is completed by the Developer Customer. These charges are specified under 'Other Charges'.

Within construction charges, this includes: Service pipe installation; Boundary box fitting; Meter installation; Excavation; 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. This is also an assumption that the only payable council charges are for permitting.

Delivery method	2021-22 Total	2022-23 Total	Variance	Percentage
Severn Trent delivery	£2,029.32	£2,176.62	£147.30	7.2586%
Self-Lay related charges				

### **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 would be individually metered. If applicable, the worked example should include the associated charges for connection to an existing sewer, which is completed by the Developer Customer.

Within construction charges, this includes: Service pipe installation; Boundary box fitting; Meter installation; Excavation; Reinstatement.

Pipework:

- 63mm 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 council charges are for permitting.

Delivery method	2021-22 total	2022-23 total	Variance	Percentage
Severn Trent delivery	£5,898.12	£6,342.66	£444.54	7.5370%
Self-Lay related charges				

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

This worked example provided charges associated with the provision of new water mains and individual connections from them for each of the 50 new houses. If applicable, the worked example should include the associated charges for the 50 property connections to an existing sewer, which are completed by the Developer Customer. 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; Meter installation.

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

## 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 does not require a road closure and eight parking bay suspensions. Additional council charges for permitting should be included.

Delivery method	2021-22 total	2022-23 total	Variance	Percentage
Severn Trent delivery	£72,123.24	£74,996.64	£2,873.40	3.9840%
Self-Lay related charges	£37,932.30	£40,495.03	£2,562.73	6.7561%
NAV related charges	£35,627.34	£37,528.13	£1,900.79	5.3352%

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

This worked example provided charges associated with the provision of new water mains and individual connections from them for each of the 50 new houses. If applicable, the worked example should include the associated charges for the 50 property connections to an existing sewer, which are completed by the Developer Customer. This worked examples 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; Reinstatement.

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

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 does not require a road closure and eight parking bay suspensions. Additional council charges for permitting should be included.

Delivery method	2021-22 total	2022-23 total	Variance	Percentage
Severn Trent delivery	£82,587.16	£85,715.17	£3,128.01	3.7875%
Self-Lay related charges	£37,932.30	£40,495.03	£2,562.73	6.7561%
NAV related charges	£35,627.34	£37,528.13	£1,900.79	5.3352%

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

This worked example provided charges associated with the provision of new water mains and individual connections from them for each of 200 new houses. If applicable, the worked example should include the associated charges for the 200 property connections to an existing sewer, which are completed by the Developer Customer. This worked examples 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; Meter installation.

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

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 does require a road closure and eight parking bay suspensions. Additional council charges for permitting should be included.

Delivery method	2021-22 total	2022-23 total	Variance	Percentage
Severn Trent delivery	£224,364.61	£233,818.26	£9,453.65	4.2135%
Self-Lay related charges	£113,553.77	£120,824.69	£7,270.92	6.4031%
NAV related charges	£104,333.93	£111,946.83	£7,612.90	7.2967%

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

This worked example provided charges associated with the provision of new water mains and individual connections from them for each of 200 new houses. If applicable, the worked example should include the associated charges for the 200 property connections to an existing sewer, which are completed by the Developer Customer. This worked examples assumes excavation and reinstatement activities are carried out by the Water Company, however, should the Developer appoint an ALP 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; Reinstatement.

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

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 council charges for permitting should be included.

Delivery method	2021-22 total	2022-23 total	Variance	Percentage
Severn Trent delivery	£250,937.01	£260,784.07	£9,847.06	3.9241%
Self-Lay related charges	£111,911.87	£120,824.69	£8,912.82	7.9641%
NAV related charges	£102,692.03	£111,946.83	£9,254.80	9.0122%

### **Managing changes in New Connections charges**

Our 2022-23 charges aren't increasing above 10% but we still undertake a programme of engagement with our developer customers to share this information with them, seek their views and help them to forecast costs for their schemes with relative ease.