

2024–25 New Connection Charges

Statement of significant changes

We're pleased to advise that for 2024-25 the overall charges for typical developments, as set out in Ofwat's Common Terms and Worked Examples - English New Connection Rules, are not increasing by more than 10%.

Introduction

Each year the 'Charging Rules for New Connections Services (English Undertakers)' 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 to ensure they reflect the costs of providing the relevant service. The purpose of this document is to highlight that the charges currently paid for typical developments (in 2023-24) will not increase by more than 10% next year (in 2024-25).

This year's changes

When setting charges companies must comply with the Ofwat rules and consider several principles. Our priorities include providing transparent and cost reflective services thereby recovering all reasonable costs and providing a level playing field allowing markets to compete fairly. We are pleased to provide stable and predictable charges for 2024-25, and an online estimator tool that helps developers obtain a reasonable estimate of their connection costs.

We regularly engage with our developer customers to share and discuss charging information before publication; this provides transparency and helps them forecast costs for their schemes going forward.

In response to customer feedback, we have enhanced our Environmental Discount Scheme and will continue to offer this incentive for 2024-25, providing the opportunity for all developers to significantly reduce their charges by building sustainable new homes.

Typical Development Worked Examples

Below are several worked examples for typical developments, as provided by Ofwat, that set out the year-on-year changes for different customer groups, all of which will be detailed 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.

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). 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	2023-24 Total	2024-25 Total	Variance	Percentage	24-25 total with EDS
Severn Trent delivery	£3,117.24	£3,339.31	£222.07	7.12%	£2,835.31
Self-Lay related charges	N/A	N/A	N/A	N/A	N/A

For demonstration purposes this example shows the benefit that can be gained through our environmental discount scheme. The 2023-24 environmental discount values have been used because at the time of writing the 2024-25 discount values had not been finalised.

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 it 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 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 council charges are for permitting.

Delivery method	2023-24 total	2024-25 total	Variance	Percentage
Severn Trent delivery	£9,006.79	£9,442.46	£435.67	4.84%
Self-Lay related charges	N/A	N/A	N/A	N/A

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">• 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 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 council charges for permitting should be included.

Delivery method	2023-24 total	2024-25 total	Variance	Percentage
Severn Trent delivery	£62,605.24	£65,545.77	£2,940.53	4.70%
Self-Lay related charges	£26,863.97	£28,438.07	£1,574.10	5.86%
NAV related charges	£26,002.77	£26,698.06	£695.29	2.67%

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">• 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 council charges for permitting should be included.

Delivery method	2023-24 total	2024-25 total	Variance	Percentage
Severn Trent delivery	£75,355.40	£78,689.82	£3,334.42	4.43%
Self-Lay related charges	£26,863.97	£28,438.07	£1,574.10	5.86%
NAV related charges	£26,002.77	£26,698.06	£695.29	2.67%

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)
<p>Pipework (unmade ground):</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 1,000m, consisting of:</p> <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 council charges for permitting should be included.

Delivery method	2023-24 total	2024-25 total	Variance	Percentage
Severn Trent delivery	£199,122.82	£210,015.23	£10,892.41	5.47%
Self-Lay related charges	£86,801.89	£92,759.39	£5,957.50	6.86%
NAV related charges	£85,771.01	£88,146.85	£2,375.84	2.77%

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 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">Connection to Existing Main of 180mm diameter PE3m 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 footpath125mm diameter PE – 480m pipework in unmade ground90mm 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 council charges for permitting should be included.

Delivery method	2023-24 total	2024-25 total	Variance	Percentage
Severn Trent delivery	£231,568.36	£243,464.03	£11,895.67	5.14%
Self-Lay related charges	£86,801.89	£92,759.39	£5,957.50	6.86%
NAV related charges	£85,771.01	£88,146.85	£2,375.84	2.77%