



Developer Services **Charging Arrangements**

2021/22

**Document revision history**

Version	Changes made	Date
1	Annual review of published changing arrangements related to new development activities	29 January 2021



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1. Introduction

1.1. Welcome

Welcome to our Developer Services Charging Arrangements document for 2021/22. This document is aimed at:

- Homeowners and Housebuilders;
- Developers;
- Self-Lay Providers (SLPs); and
- New Appointees (NAVs).

Our Charging Arrangements document contains all of the information you need to:

- understand your options for new connection services;
- the costs associated with these services; as well as
- how to apply and request for a quote.

Additional supporting materials can be found on our Developers webpage:

<https://seswater.co.uk/developers>.

In this document we describe the charges and our approach to calculating them for the provision of new connection services that will apply from 1 April 2021 to 31 March 2022.

Our Charging Arrangements should be read in conjunction with the following:

- Our Statement of Significant Changes published on our [website](#); and
- Our Board Assurance Statement also published on our [website](#).

1.2. How do I use this document?

We have structured this document to facilitate the navigation between various sections of the document.

Each item on the Contents page is a clickable link that brings you straight to the section of the document you click on.

We have also included clickable links within the document where we refer the reader to other sections of the document – this is to reduce the amount of repetition and to facilitate usability of the document. References to specific figures or tables within the document are also clickable links. For ease of reference, clickable links are underlined, in bold font and highlighted in **teal**.

References to external documents are also [clickable links](#) and are in blue font and underlined.

If you are already familiar with our new connections services and are mainly interested in our [list of charges](#), please see [Appendix B](#) for a summary of all of our fixed charges for 2021/22.



For more information on:

- How we calculate our charges, see Sections [4.2](#) and [5.2](#).
- Our ancillary charges, see Sections [4.3](#) and [5.3](#).
- Our charges for traffic management, see Sections [4.5](#) and [5.5](#).
- Our service connection charges see Section [4.3](#).
- Our new water mains charges, see Section [5.3](#).
- Our charges for self-lay development, see Section [7.3](#).
- Our infrastructure charge and income offset, see Sections [8](#) and [9](#) respectively.
- Our transitioning arrangements are explained in Section [10](#).
- We have captured our worked examples representing the package of costs for different types of new connection services in [Appendix A](#).

1.3. What has changed?

Key changes applicable from 1 April 2021

We are committed to engaging with our customers on an ongoing basis and making improvements to the way we work and communicate with them. Our Charging Arrangements document is therefore an important medium of communication with our customers with regards to new connection services.

Over the past couple of years, we have made a number of improvements in the way we calculate and present our charges. This year, we have built on those improvements and have made the following additional changes:

- Revisited the way that we allocate our overhead costs; we have adopted a bottom-up approach to allocate the costs of our Developer Services team to specific tasks associated with the provision of new connection services; such tasks include issuing and reviewing application forms, undertaking network study, issue quotation, scheduling installation, etc. See Sections [4.2](#) and [5.2](#) for a description of our methodology and cost drivers. Our ancillary charges are presented in Sections [4.3](#) and [5.3](#).
- Revisited the structure of our application fees; we have separated the design element (contestable) and the regulations inspection element (contestable) from the application fee (non-contestable). Our application fees are presented in Sections [4.3](#) and [5.3](#).
- Made minor changes to the way we calculate the infrastructure charge.
- Revisited our approach to calculating the income offset from using the DAD approach to a fixed income offset rate to ensure we maintain a broad balance of charges¹ between the contributions to costs by developers and other customers prior to 1 April 2018. Our income offset approach is presented in Section [9](#).
- Revisited the way we charge for standard traffic management and permit charges based on the feedback received from some stakeholders in our November 2020 charging consultation. Our charges for traffic management are presented in Sections [4.5](#) and [5.5](#).

¹ In accordance with the Ofwat Charges Scheme rules, we have made provision for a discount on the infrastructure charge for each new property connected to the network in order to broadly maintain the balance between the contributions to costs by developers and other customers prior to 1 April 2018. This discount is known as the income offset.

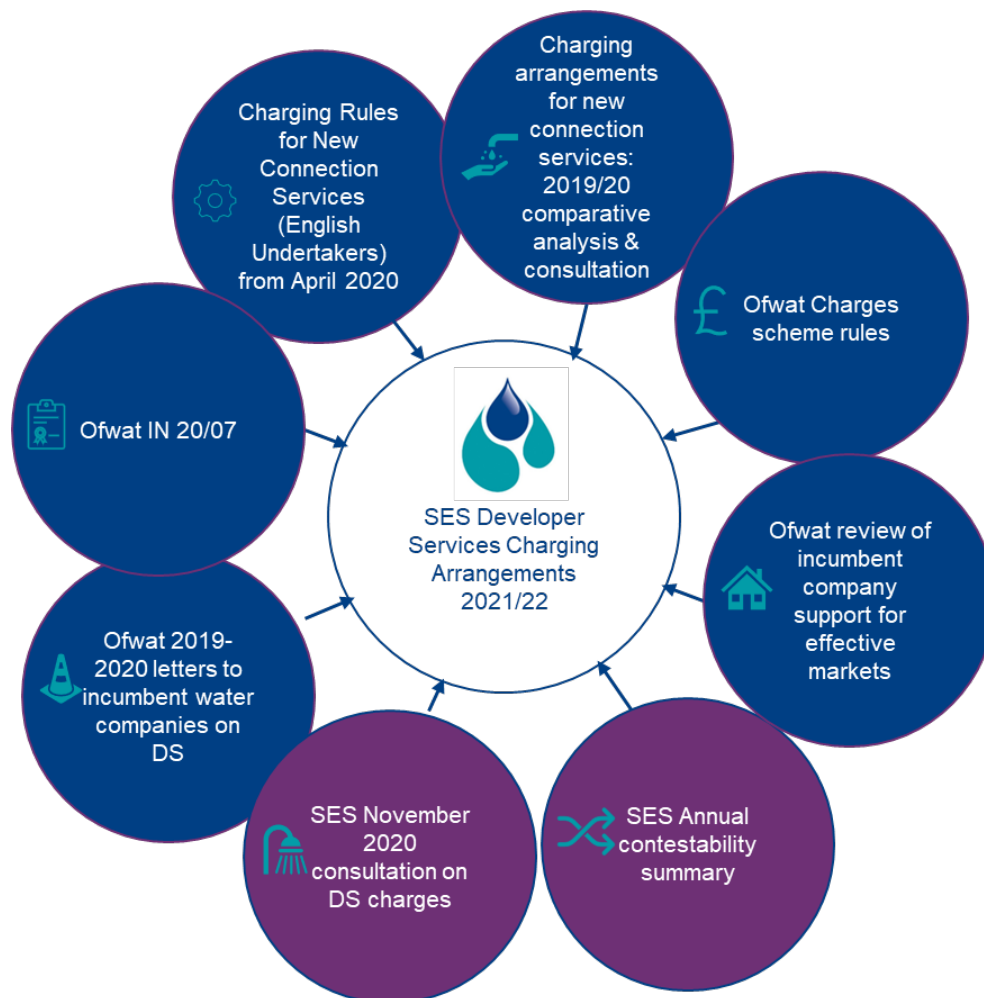


- Simplified the structure of our charges and the presentation of our Charging Arrangements to facilitate understanding.
- Set out the charges for self-lay development in a separate section of our Charging Arrangements. See [Section 7](#) for details.
- Expanded the description and calculations that are captured in the [Ofwat IN 20/07](#) worked examples, see [Appendix A](#).
- Aligned as much as possible our terminology to Ofwat's latest glossary for developer services, as published in its [May 2020 comparative analysis and consultation for new connection services](#).
- Please note that we have not made changes to our modelling assumptions as a result of Covid-19 for the 2021/22 Charging Year as there is little evidence to suggest our underlying assumptions in terms of new connections and costs would change.

We believe that these additional changes result in our charges being more predictable, stable and transparent. Our Statement of Significant Changes captures the impact of these changes on customer bills for typical developments.

A summary of the documents we took into consideration when producing our 2021/22 Charging Arrangements are presented in below.

Figure 1.1: Documents that shaped our 2021/22 Charging Arrangements





1.4. We want to hear your views

We are committed to engaging with our customers on an ongoing basis. We welcome your views on our Charging Arrangements at any point in time throughout the Charging Year.

As a result of the feedback we have received in the past year, we are now more committed than ever to engage with our customers and help promote effective markets.

We consulted with stakeholders in November 2020 for a period of four weeks. We invited stakeholders to provide their view and feedback on:

- How our charges are calculated;
- How our charges are presented; and
- Our proposed transitional arrangements.

The responses received helped us shape our charges for 2021/22.

We keep a log of all the feedback we receive, either through formal consultations or spontaneous feedback we receive during the year. Depending on the type of feedback we receive, we might be able to take prompt action in addressing it while other feedback may be addressed in the following iteration of our developer services charges.

We will update these Charging Arrangements at least once a year and welcome any feedback at any point so that we can reflect on it in future updates and improve our service to you.

If you would like to register an interest to take part in our next consultation(s), please contact us at developerservices@seswater.co.uk.



2. Your options for new connection services

The vast majority of new properties built require a connection to the water network.

We encourage our applicants to consider all potential delivery options available to Developer Services customers. We want you to be able to choose the option that best suits your needs and timescales when you are planning your development.

Developer Services customers do have a choice of who provides the majority of new connection services for their development and also who owns and operates the new network once it has been constructed.

The services where customers have a choice over who provides the new infrastructure are known as “contestable”. To protect our network and our customers, some work is described as “non-contestable”, these can only be undertaken by us, such as those linked to application and administration processes or security of water supply and water quality.

The choices of providers available to you are:

- An Accredited Self-Lay Provider (SLP);
- A New Appointment and Variation (NAV); or
- SES Water.

If you choose an SLP to provide your new connection services, some aspects of your new connection services will still be carried out by us as the owner and operator of the water network.

2.1. Choosing your provider

Option 1: Choosing an Accredited Self-Lay Provider (SLP)

A developer can contract with a third party, such as an SLP to undertake the work on their behalf.

SLPs are accredited to the Water Industry Regulation Scheme (WIRS), administered by Lloyd’s Register on behalf of the water industry in England and Wales, meaning that they:

- Have demonstrated they can carry out the water connection work to the same technical, quality and safety standards as a water company would.
- Give you the same end result as if we did the entire job, as we adopt the new mains and/or service connections afterwards.
- Are subject to regular reviews and site visits by Lloyd’s Register to check the ongoing quality of their work.

An SLP would undertake the installation of site-specific mains and service connections but SES will carry out any off-site work required. The developer will still be required to go through SES’s application process and will still be required to pay SES an infrastructure charge and benefit from the income offset discount. A developer may prefer to use an SLP as it may provide multi-utility services and additional flexibility to suit the developer’s needs.



Once the SLP has built the new connection services assets, the assets are then transferred to SES; this is known as asset adoption (refer to the [Code for Adoption Agreements](#) for more information).

You can find SLPs to contact on the [Lloyd's Register](#). This is a national list, from which you can select providers who are active in our region.

Option 2: New Appointment and Variation (NAV)

A developer can choose a licensed NAV to provide new connection services and/or take ownership of the new water (and wastewater) connection infrastructure provided for a new development. NAVs are appointed by Ofwat and replace the regional water company. It is for the developer to choose whether to use a NAV or the regional water company to supply services for new sites, according to certain legal criteria.

For further guidance, please see Ofwat's [website](#).

Option 3 SES Water

A developer may ask us, as the local water company, to undertake the work. We would work directly with the developer to discuss the requirements and timing of the works.

The developer would pay all costs associated with site-specific mains and service connections to be installed directly to us as well as any additional off-site work required.

2.2. Aspects of your development can be carried out by an SLP

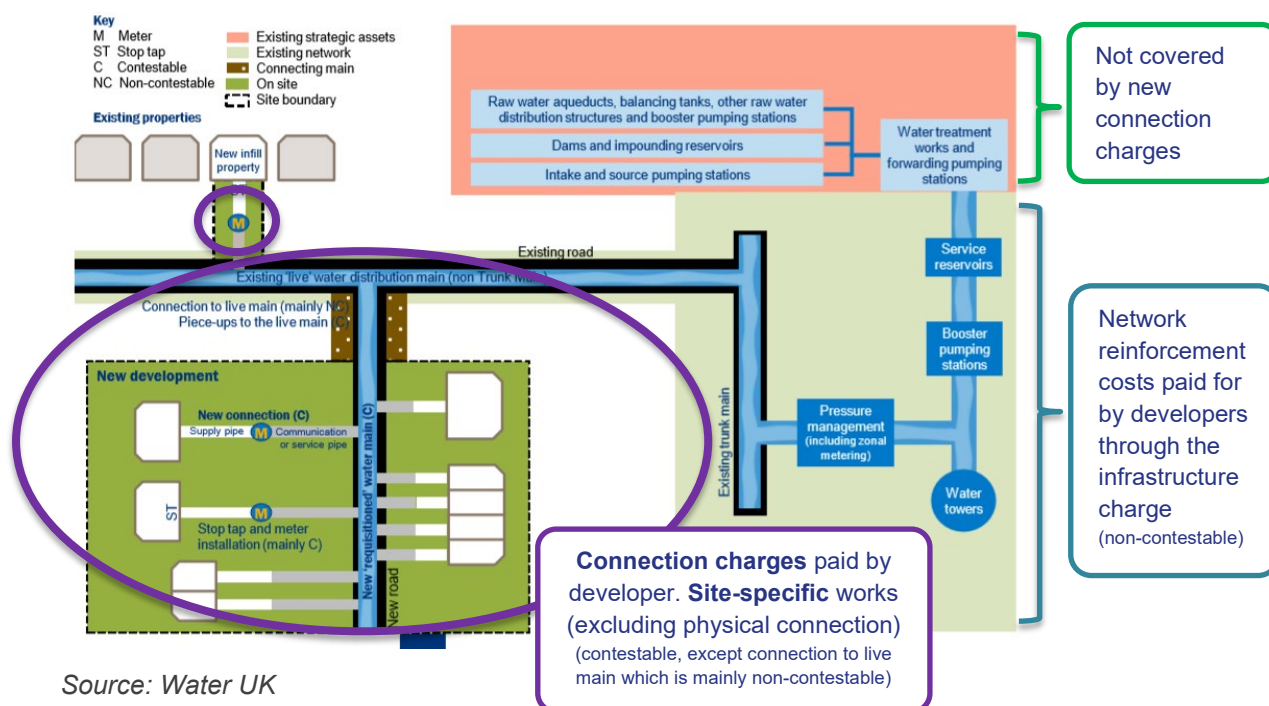
An SLP will be able to provide site-specific connection services such as laying new water mains on the property site and the physical connection of a property to new mains laid. These services are known as “contestable”.

A small proportion of the work for connection services can only be carried out by us – this is known as “non-contestable work”. Network reinforcement and connections to the live main are two examples of work that can only be carried out by SES.

[Figure 2.1](#) below provides a simplified example of a new connection and indicates which element of the development is contestable and which is non-contestable.



Figure 2.1: Contestable and non-contestable elements of a new service connections



Areas of costs are split into three categories:

- **Site-specific (contestable work):** works undertaken within the dark green shaded areas and brown with white dots. Costs of the water mains installed for these works are recovered from developers. Site-specific refers to work on, or the provision of, water structures or facilities located on a development up to a point on the existing network where the new development is connected to the live water main on our existing network.
- **Network reinforcement works (non-contestable work):** works undertaken within the light green area. The costs of these works are recovered by means of infrastructure charges payable by developers.
- **Resources and treatment:** works undertaken in the pink area. These are funded through water charges to customers and are not recovered through new connection charges.

Table 2.1 below provides a summary of key non-contestable and contestable charges:



Table 2.1: Description of non-contestable and contestable charges

Options	Charges	Description
Non-contestable	• Application charge	• Cost of processing an application and providing a quote, tiered and non-refundable.
	• On-site design review	• Cost of reviewing the on-site design of a development for new service connections or new water mains made by a third party such as an SLP.
	• Off-site design	• Cost of designing off-site connections.
	• Infrastructure charge	• A cost per new connection to cover the costs of reinforcing the network as a result of new connections – discounted through the income offset. Further discounted where selected water efficiency products are used (see Section 8.3.1 for the details).
	• Connection to the live main	• Cost of connecting the new site-specific water mains to the existing live water main.
Contestable	• Water main diversions	• Cost of moving an existing water main.
	• New water mains	• The cost of laying new water mains on a site-specific new development.
	• Service connections	• Cost of connecting new properties to the site-specific new water mains.
	• Design	• Cost of designing the connection services on a new development site.

3. Our charges development process

Every year, we follow a rigorous process to review and update our developer services charges. This section describes the rules and principles we follow when developing our charges and how we test our charging arrangements to ensure they are cost-reflective, fair and transparent.

3.1. The rules and principles our charges are based on

Our Developer Services Charging Arrangements (“Charging Arrangements”) are produced in accordance with [the Charging Rules for New Connection Services \(English Undertakers\)](#) (“Charging Rules”) re-issued by Ofwat in March 2020 and complies with Ofwat [IN 20/07](#) Expectations, assurance and information requirements for water charges for 2021-22.

The charges contained in this document uphold the general charging principles, as outlined in the Charging Rules. These are:

- Fairness and affordability;
- Environmental protection;



- Stability and predictability; and
- Transparency and customer-focused service.

Our Charging Arrangements also contain information on our infrastructure charge as set out in the [Charges Scheme Rules](#) re-issued by Ofwat in March 2020.

This document also incorporates the feedback we have received from our November 2020 developer services charging consultation.

3.2. The development process we follow

We engage with stakeholders and consider their views carefully

SES Water are committed to working in an open, collaborative and transparent way including our emerging thinking when seeking to make improvements within our offering to all customer types. We engage with Developer Services customers and stakeholders on our proposed changes to the Charging Arrangements for connecting new properties to the water network, prior to implementing any changes.

As part of our annual process to update our Developer Services Charging Arrangements for 2021/22, we consulted with stakeholders for a period of four weeks; our consultation closed on 4 December. An online survey was created to consult with developer services customers on each area of the charging document. The purpose of the consultation was to seek feedback to help shape updates to our Charging Arrangements for New Connection Services and Bulk Supply Charges for NAVs. A Stakeholder Consultation Outcomes Report has been published to outline the responses and outcomes from the consultation.

Developer Services customers and stakeholders have a direct role to play in our proposed approach and service offerings. We recognise they should be involved in informed discussions and collaborative working with the ultimate aim of gaining practical support to enable us to meet the demands in growth, as house building intensifies across our region. Engagement with these stakeholders will be regular and proactive over 2021/22.

We competitively procure contractors

Our charges for developer services are largely based on our competitively procured contractors that undertake the work on our behalf. Our *contracting approach and strategy* were formed following a collaborative exercise with two other water only companies to share best practice to gain an understanding of various delivery models.

Based on our learnings, we developed our own procurement strategy and developed the structure of our schedule of rates following the NEC3 Term Service form of contract that is fully compliant with EU procurement rules. This approach is widely used within the water industry.

At high-level, our procurement process follows these steps:

- Utilising the Achilles UVDB platform at the core, we establish a shortlist of suitable service delivery organisations to go forward with the competitive tendering exercise.
- Suitable service delivery organisations pre-qualify and then submit their full tender.



- SES selection criteria are set up to review commercial scenarios for service delivery; as part of this criteria SES benchmarks each tender's commercial scenarios. The selection criteria also include a qualitative assessment of the tender as well as a workshop and series of presentations to an SES technical Panel and independent commercial/contractual consultants overseeing the process.
- Based on the selection criteria, performance of tenderers and final negotiations, the final Infrastructure Term Service Contract (ITSC) is awarded.

Our ITSC is set for five years and is subject to annual price increases following the Building Cost Information Services (BCIS) indices and subject to annual negotiation for a percentage discount in recognition of efficient working practices being established. This approach allows us to scrutinise any price increases to ensure they reflect true costs. In addition, longer-term contracts provide greater stability and predictability in our charges.

We review and update our charges on an annual basis

On an annual basis, we review the way we calculate and structure our charges to assess cost-reflectivity using our audited model that calculates all of our charges, including the infrastructure charge and the income offset. Based on any Ofwat policy changes (where applicable), feedback we receive throughout the year and as part of our stakeholder consultation on developer services charges, we revisit our methodologies and cost allocations and update our model to ensure our charges remain fair, relevant and in line with the industry expectations.

We review our internal costs to ensure we remain competitive

We only allocate internal costs to Developer Services where these costs relate to the delivery of work for new developments. For example, if an employee spends 50% of his/her time on Developer Services and the other 50% on our own network operations, only 50% would be apportioned to Developer Services. This ensures that our charges reflect the true cost of SES operating the Developer Services business. We allocate our internal costs associated with Developer Services into different categories (ancillary charges, service connection charge and new water mains charges) to ensure costs are recovered fairly and efficient through our new connection services charges.

We review whether our charging structure facilitates competition

We have revisited the structure of our application fees and have separated the design element (contestable) and the regulations inspection element (contestable) from the application fee (non-contestable). We have also set out the charges for self-lay development in a separate section of our Charging Arrangements. This provides customers and SLPs with greater clarity as to what charges apply and under what circumstances where an SLP undertakes the on-site work.

We offer a discount on our infrastructure charge to maintain the broad balance of charges

Our fixed income offset is offered to every single new connection as a discount onto the infrastructure charge payable. This is to ensure the broad balance of charges between the



contributions to costs by developers and other customers is maintained over time. See [Section 9](#) for more details.



PART A – OUR CHARGING ARRANGEMENTS

A connection charge consists of four main components, as per the figure below:

Figure 3.1: Components of a new connections services charge



To find out more about:

- Ancillary charges (i.e., application and design fees, re-quote fees, etc.), see [Section 4.3](#) for service connections and [Section 5.3](#) for new water mains.
- Sub-components new connection services charge, see [Section 4.3](#) for service connections and [Section 5.3](#) for new water mains.
- The Infrastructure charge, see [Section 8](#).
- The Income offset discount, see [Section 9](#).

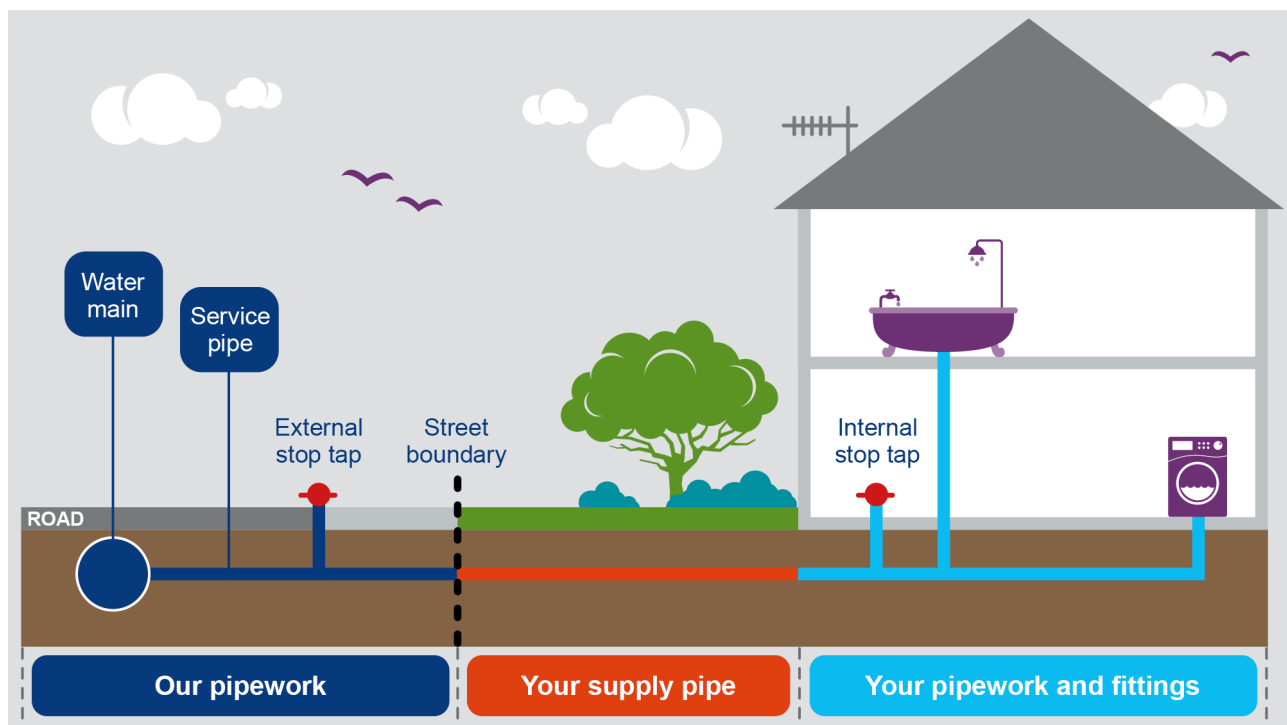
4. Service connections

4.1. Introduction

A water service connection generally involves a connection to a water main, communication pipework to the boundary of the connecting property and a boundary box with a stop-valve and a meter. New service connections typically of 25/32mm external diameter are contestable; this means that a developer can request SES Water or an SLP to undertake the work.



Figure 4.1: Service connection



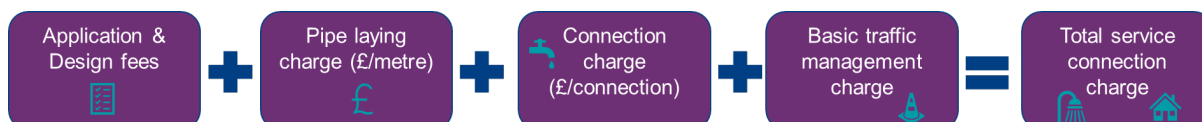
To understand how much a new service connection might cost, you will need to know the basic parameters of your developments:

- the length of your service connection;
- the type of ground and surface type around your development; and
- the point where your connection will connect to the existing water network.

How to use the charges set out in this document

A developer can calculate the charges for service connections required for its development using the information contained in [Sections 4.3, 4.4 and 4.5](#) below. The fixed charges are based on typical developments. However, if your development has additional complexities bespoke charges may apply.

Figure 4.2: Components of a new services connections charge



Special circumstances where bespoke charges apply are captured in [Table 5.8 \(section 5.6\)](#) and include:

- Working near water courses, bridges or other structures;
- Specialist road surfaces;
- Hazardous contaminated land;
- Land with environmental hazards such as protected species or removal of invasive flora or fauna;



- Etc.

Section [4.6](#) describes how you can apply and request for a quote for your development.

4.2. How we calculate our service connections charges

Our service connections charges are based on the costs incurred to connect your property or development to the water network. They are based on four components:

- **Ancillary charges** comprise the application fee and the design fee, and where applicable, fees for a re-quote, an additional regulations inspection, an additional site visit and an unplanned phased connection works. See [Section 4.3](#) for the details.
- A **fixed charge for any additional metre of pipe to be laid**. Any additional length of pipe to be laid and surface to be reinstated is charged per metre. See [Section 4.4](#) for the details.
- A **fixed charge for the connection** of your property to the main and related pipework, including the costs of a meter device and pipe works and reinstatement for the first two metres. The fixed charges differ depending on the type of ground (contaminated or non-contaminated), the surface type and the size of the connection and pipework to be laid. The fixed charge also includes one site visit and a regulations inspection. See [Section 4.4](#) for the details.
- **Traffic management charges** are the costs associated with managing the road traffic in order to access your site to connect your property or development. Standard traffic management measures such as a bus stop suspension, pedestrian crossing suspension, a parking bay suspension and permit charges are included in the fixed charge for the connection as an uplift. Any additional (non-standard) traffic management (such as 3- or 4- way lights, roads with a >40mph speed limit, or full road closure) that may be required to access your site would be charged for separately. See [Section 4.5](#) for the details.

At a high-level, the activities involved in each of these cost components include:

Table 4.1: High-level activities and costs for the provision of a new service connection

Service connection component	Activities	Costs	Cost drivers
1. Ancillary charges	<ul style="list-style-type: none"> • Issuance and review of application form submitted by the developer • Network study and site survey • Design • Issuance of quotation 	<ul style="list-style-type: none"> • Labour • Materials 	<ul style="list-style-type: none"> • Hourly staff costs for processing applications and completing administrative work related to new connection services
2. Fixed charge for any additional metre of pipe laid	<u>Infrastructure</u> <ul style="list-style-type: none"> • Excavation of the ground where the connection will be made 	<ul style="list-style-type: none"> • Labour • Materials 	<ul style="list-style-type: none"> • Contractually negotiated rates with our contractor



Service connection component	Activities	Costs	Cost drivers
3. Fixed charge for the connection	<ul style="list-style-type: none"> • Connection of the new asset to the water main • Reinstatement of the ground where the connection was made • Removal and disposal of any materials/waste from our work • Regulations inspection and testing of the new asset <p><u>Overheads</u></p> <ul style="list-style-type: none"> • Receival of payment • Schedule of installation and issuance of work to contractor • Creation of account, updating records • Quality audit 	<ul style="list-style-type: none"> • Plant and equipment • Contractors • Labour 	<ul style="list-style-type: none"> • Negotiated rates are packaged to form a schedule of fixed charges for our customers for typical services connections and new water mains • Hourly staff costs for administrative work related to new connection service
4. Traffic management charges	<ul style="list-style-type: none"> • Traffic management required to access your property or the development safely 	<ul style="list-style-type: none"> • Labour • Materials • Plant and equipment • Contractors 	<ul style="list-style-type: none"> • Third party charges for Temporary Traffic Orders (road closures) • Permit charges • Lane Rental

4.3. Ancillary charges

Our fixed ancillary charges are presented in [Table 4.2](#).

Table 4.2: Our fixed ancillary charges

Service connections	What the charge covers	Unit	Fee (£)
Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
Design fee ^C	Undertake network study and site survey	1-20 connections	127
		>20 connections	147
Re-quote fee ^{NC}	Costs of updating the network study, recalculating and re-issuing your quote	Flat fee	36
Phased connection works ^C	Costs associated with demobilizing and remobilizing equipment to carry out our work	Per phase	374
Additional site visit ^C	Where an additional site visit is required due to, e.g. changes required to the design	per meeting	94
Additional regulations inspection ^C abortive visit fee ^C	Where an additional regulations inspection is required or where	per inspection	54



Service connections	What the charge covers	Unit	Fee (£)
	the customer cancels the inspection		

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT

For example, if a developer submits an application for 15 properties, the resulting application fee will be £55 and the design fee £127. If a developer submits an application for 25 properties, the resulting application fee will be £55 and the design fee £147.

Our fixed service connections charges already include the cost of meter devices. However, where additional meter devices are required our fixed charges for the supply of water meter devices are presented in [Table 4.3](#) below.

Table 4.3: Our fixed charges for the supply of water meter devices

Meter type	Unit	Fee (£)
15mm AMR meter ^{NC}	£/meter	53
15mm external boundary meter ^{NC}	£/meter	17
20/25mm AMR meter ^{NC}	£/meter	65
40mm AMR meter ^{NC}	£/meter	138
50mm external boundary meter ^{NC}	£/meter	75

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT

4.4. Our service connections charges

Our fixed charges are presented in the table below:

Table 4.4: Our fixed charges for service connections

Type of pipe	Surface type	Unit	Connection charge Diameter: 25/32/ 50mm ^c
PE pipe (barrier pipe not needed)	Pre-excavated	£/connection	455
	Unmade ground	£/connection	455
	Highway verge	£/connection	656
	Flexible surface (footpath/ road/ carriageway)	£/connection	811
	Rigid surface/ carriageway	£/connection	925
PE barrier pipe	Pre-excavated	£/connection	584
	Unmade ground	£/connection	584
	Highway verge		785
	Flexible surface (footpath/ road/ carriageway)	£/connection	939
	Rigid surface/ carriageway	£/connection	1,054



Type of pipe	Surface type	Unit	Connection charge Diameter: 25/32/ 50mm ^C
PE pipe and PE barrier pipe (cost over 2 metres)	Pre-excavated	£/metre	54
	Unmade ground	£/metre	54
	Highway verge	£/metre	55
	Flexible surface (footpath/ road/ carriageway)	£/metre	91
	Rigid surface/ carriageway	£/metre	133

C = Contestable

NC = Non-contestable

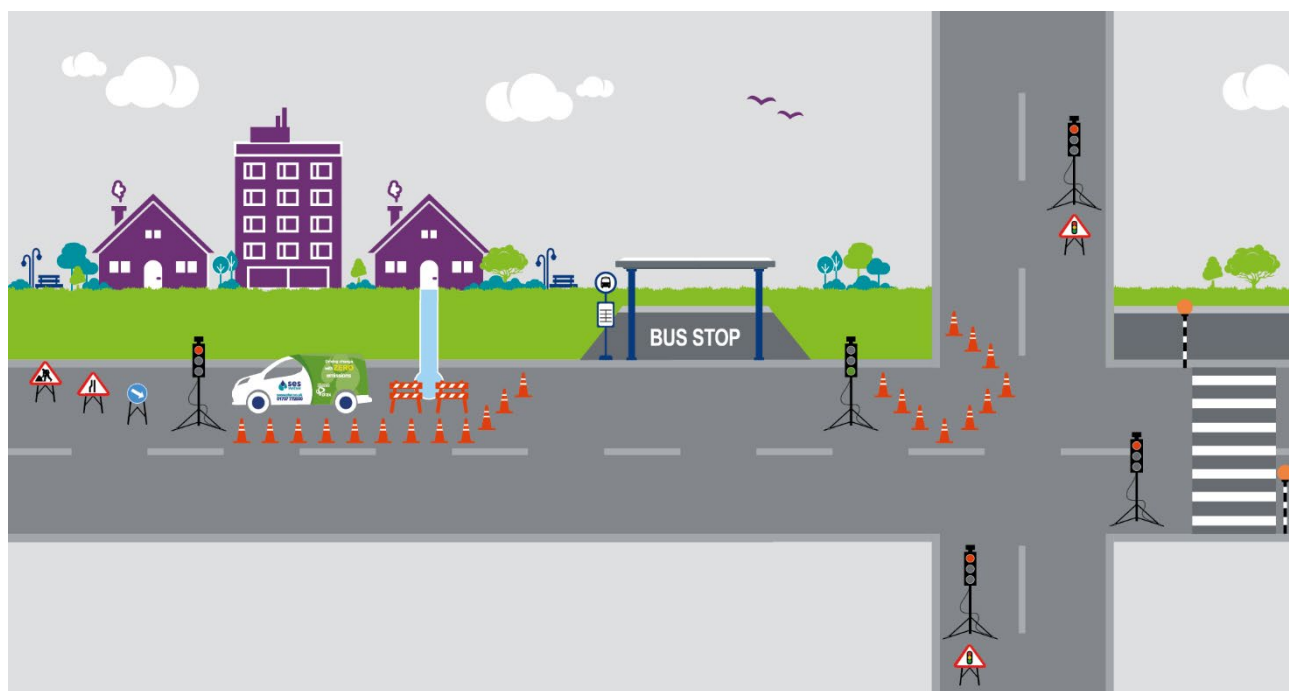
All charges are exclusive of VAT

4.5. Traffic management

To provide you with new service connections, we usually need to work in a footpath, road or carriageway. Consequently, traffic management is required for us to undertake the work safely and efficiently with as minimal disruption as possible to roads users.

The diagram below provides an illustrative example of the type of traffic management measures are needed.

Figure 4.3: Illustrative example of traffic management measures



All traffic management outside of the development site is subject to planning and co-ordination with the local highways authority in accordance with the New Roads and Streetworks Act 1991, as amended by the Traffic Management Act 2004.



We operate within seven local highway authorities and each authority has its own set of traffic management charges. Highway Authorities that control the road network in our area are:

- Transport for London;
- London Borough of Merton;
- Croydon Council;
- London Borough of Sutton;
- Surrey County Council;
- Kent Highways; and
- West Sussex County Council.

Our fixed charges for new service connections include standard traffic management measures. These can be:

Table 4.5: Standard traffic management charges included in our fixed charges

Standard traffic management charges
Bus stop suspension
Traffic light suspension
Pedestrian crossing suspension
Parking bay suspension
Permit charge (varies on region/road) per request for access
Charge for manual operation (per day)

However, additional charges may need to be levied depending on the type of traffic management measure required to access your property or development. These charges are third party charges for major traffic light suspensions, full road closure and lane rental where applicable by Transport for London (TfL) and Surrey County Council.

Surrey County Council has planned to introduce a lane rental scheme from 1 March 2021. The lane rental scheme would apply to streets with a designation of “protected” or “traffic sensitive” on 7.5% of the road network.

The table below provides indicative (non-standard) traffic management charges.

Table 4.6: Indicative (non-standard) traffic management charges (excluded from our fixed charges)

Traffic management measure	Unit	Charge
Full road closure	£/day	2,500
Three way traffic lights (per week)	£/week	516
Four way traffic lights (per week)	£/week	576
Set out ¾ way lights	£/day	254



Traffic management measure	Unit	Charge
Lane rental	£/day	2,500 ²

All charges are exclusive of VAT

We appreciate that these additional traffic management charges are significant and may impact the total cost of your development. We considered whether it would be appropriate to include these charges within our fixed connection charge to make this more predictable for our customers. However, we concluded it would not be fair to apply these charges across all new connections given these non-standard traffic management measures are site-specific and tend to apply to fewer developments.

We will work with you to ensure these can be minimised, where possible, by assessing the most cost-effective way of undertaking the work whilst meeting your requirements and timescales for connecting your property or development.

4.6. How to apply and request a quote for a service connection

If you are looking to apply for a new connection to a property or piece of land that does not currently have a water connection this can be submitted online via our connection portal.

If you are looking to upgrade an existing water connection at a property, an application form must be submitted online via our upgrade of supply tool.

Once submitted we will reply by email with a document attached named 'application acknowledgement'. In this document it will detail our initial application fee along with any further documentation we require to proceed with the application.

Once the application fee has been paid and any further info requested has been provided, a survey and quote will be completed within 28 days.

Application and design fees are required up front of any service provision.

The quotation cost is for the connection of the supply pipework to our network and the metering of that connection. Costs for any new main that might apply will be covered by a separate estimate.

Any quotation issued by us will be valid for 90 days.

Additional costs shall be levied for any unplanned phasing of the works, repeat samples and testing, or any unintended restriction of access for the agreed works to be undertaken.

The full cost of the quoted work for connections must be paid prior to works commencing onsite.

² Please refer to the Surrey County Council website for more information. At the time of preparing this document, the lane rental scheme was still pending approval.



5. New water mains

5.1. Introduction

If there is not an existing water main near the new properties, the developer will need a new water main built; this process is called a requisition. The costs of requisition consist of the infrastructure built to serve a property or development from the existing network to, and on, the development site. The developer is required to pay for the full cost of the new main. The main can be built by SES or alternatively be built by a suitably qualified developer, SLP or NAV for pipes with a diameter of 63mm. Water mains for connections greater than 63mm are non-contestable and can only be carried out by us.³

To understand how much new water mains might cost, you will need to know the basic parameters of your developments:

- the sizing of the pipework required;
- the type of ground and surface type around your development; and
- the point where your new water mains will connect to the existing water network.

The **size of a residential development** to be connected will define the pipe diameter required for your new water mains. [Table 5.1](#) below provides indicative typical pipe sizing for new water mains.

Table 5.1: Indicative typical pipe sizing for new water mains

Pipe diameter	Typical number of properties supplied
63mm	Up to 50 flats or up to 20 typical houses
90mm	Up to 100 flats or 40 typical houses
125mm	Up to 230 flats or 95 typical houses
180mm	Up to 700 flats or up to 300 typical houses
250mm	Up to 1,500 flats or up to 700 typical houses
355mm	Up to 4,500 flats or up to 2,600 typical houses

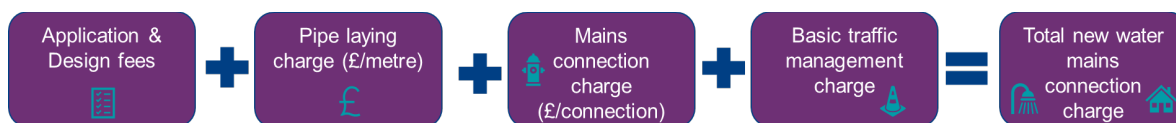
How to use the charges set out in this document

A developer can calculate the charges for new water mains using the information contained in [Sections 5.3](#), [5.4](#) and [5.5](#) below. The fixed charges are based on typical developments. However, if your development has additional complexities bespoke charges may apply – please refer to [Section 5.6](#) for more information on special circumstances for new water mains.

³ Please refer to the Code for Adoption Agreements for more information: <https://www.ofwat.gov.uk/wp-content/uploads/2018/08/December-2020-Code-for-adoption-agreements-for-water-and-sewerage-companies-operating-wholly-or-mainly-in-England.pdf>



Figure 5.1: Components of a new mains connection charge



[Section 5.7](#) describes how you can apply and request for quote for your development.

5.2. How we calculate our new water mains charges

Our new water mains charges are based on the costs incurred to build the infrastructure to serve a new property or development from the existing network to, and on, the development site. They are based on four components:

- **Ancillary charges** comprise the application fee and the design fee, and where applicable, fees for a re-quote, an additional regulations inspection, an additional site visit and a phased connection works. See [Section 5.3](#) for the details.
- A **fixed charge for each metre of pipe to be laid**. Any length of pipe required for your connection is charged on a per metre basis. See [Section 5.4](#) for the details.
- A **fixed charge for the connection** of the new water mains to the existing network including the costs for the required valves, hydrants, bends and the reinstatement at the point of connection. The fixed charges differ depending on the type of ground (contaminated or non-contaminated), the surface type and the size of the connection and pipework to be laid. The fixed charge for the connection also includes the costs for chlorination and flushing/testing as well as one site visit and one water regulations inspection visit. See [Section 5.4](#) for the details.
- **Traffic management charges** are the costs associated with managing the road traffic in order to access your site to lay new water mains and connect your property or development. Any non-standard traffic management that may be required to access your site is charged for separately. See [Section 5.5](#) for the details.

At high-level the activities involved in each of these components include:

Table 5.2: High-level activities and costs for the provision of a new water main

Service connection component	Activities	Costs	Cost drivers
1. Ancillary charges	<ul style="list-style-type: none"> • Issuance and review of application form submitted by the developer • Network study and site survey • Design • Issuance of quotation 	<ul style="list-style-type: none"> • Labour • Materials 	<ul style="list-style-type: none"> • Hourly staff costs for processing applications and completing administrative work related to new connection services
2. Fixed charge for each metre of pipe laid	<u>Infrastructure</u> <ul style="list-style-type: none"> • Excavation of the ground where the mains will be laid 	<ul style="list-style-type: none"> • Labour • Materials 	



Service connection component	Activities	Costs	Cost drivers
3. Fixed charge for the new mains connection	and connected to the existing network <ul style="list-style-type: none"> Construction of the new assets Connection of the new asset to the water main Reinstatement of the ground where the new water mains and connection were made; Removal and disposal of any materials/waste from our work Regulations inspection and testing of the new asset Overheads <ul style="list-style-type: none"> Receival of payment Schedule of installation and issuance of work to contractor Creation of account, updating records Quality audit 	<ul style="list-style-type: none"> Plant and equipment Contractors Labour 	<ul style="list-style-type: none"> Contractually negotiated rates with our contractor Negotiated rates are packaged to form a schedule of fixed charges for our customers for typical services connections and new water mains Hourly staff costs for administrative work related to new connection services
4. Traffic management charges	<ul style="list-style-type: none"> Traffic management required to access your property or the development safely 	<ul style="list-style-type: none"> Labour Materials Plant and equipment Contractors 	<ul style="list-style-type: none"> Third party charges for Temporary Traffic Orders (road closures) Permit charges Lane Rental

5.3. Ancillary charges

Our fixed ancillary charges for new water mains are presented in [Table 5.3](#).

Table 5.3: Our fixed ancillary charges

Mains	What the charge covers	Unit	Fee (£)
Application fee ^{NC}	Issue and review application form, undertake network study, site survey and issue of quotation	per application	55
Re-quote fee ^{NC}	Costs of updating, recalculating, re-designing and re-issuing your quote	Flat fee	133
Design fee ^C per development	Undertake network study and site survey	1-500 properties >500 properties	341 388
Phased connection works ^C	Costs associated with demobilizing and remobilizing equipment to carry out our work	per phase	3,116



Mains	What the charge covers	Unit	Fee (£)
Additional site visit ^C	Where an additional site visit is required due to, e.g. changes required to the design	per meeting	94
Additional regulations inspection ^C or abortive visit fee ^C	Where an additional regulations inspection is required or where the customer cancels the inspection	per inspection	54

C = Contestable NC = Non-contestable All charges are exclusive of VAT

5.4. Our new water main charges

Our standard fixed charges are presented in the table below:

Table 5.4: Our fixed charges for laying new water mains

Type of pipe	Surface type	Unit	New mains connection charge Diameter:		
			63/90/ 125mm ^C	180/225/ 250mm ^C	315/ 355mm ^{NC}
PE pipe (barrier pipe not needed)	Pre-excavated	£/metre	57	99	186
	Unmade ground	£/metre	94	131	209
	Highway verge	£/metre	98	135	218
	Flexible surface (footpath/ road/ carriageway)	£/metre	202	248	353
	Rigid surface/ carriageway	£/metre	228	275	378
PE barrier pipe	Pre-excavated	£/metre	95	97	150
	Unmade ground		123	125	182
	Highway verge	£/metre	127	129	190
	Flexible surface (footpath/ road/ carriageway)	£/metre	231	242	318
	Rigid surface/ carriageway	£/metre	257	269	342

C = Contestable NC = Non-contestable All charges are exclusive of VAT

**Table 5.5: Our fixed charges for new mains connections**

Surface type/ external diameter for PE pipes	Unit	New mains connection charge Diameter:			
		63mm ^C	90/125mm ^{NC}	180/225/ 250mm ^{NC}	315/ 355mm ^{NC}
Pre-excavated	£/connection	3,282	4,251	5,098	9,134
Unmade ground	£/connection	3,282	4,251	5,098	9,134
Highway verge	£/connection	3,353	4,393	5,241	9,321
Flexible surface (footpath/ road/ carriageway)	£/connection	3,873	5,433	6,370	10,670
Rigid surface/ carriageway	£/connection	4,002	5,691	6,642	10,922

*C = Contestable**NC = Non-contestable**All charges are exclusive of VAT*

5.5. Traffic management

To lay new water mains and connect them to the existing water network, we usually need to work in a footpath, road or carriageway. Consequently, traffic management is required for us to undertake the work safely and efficiently with as minimal disruption as possible to roads users.

All traffic management outside of the development site is subject to planning and co-ordination with the local highways authority in accordance with the New Roads and Streetworks Act 1991, as amended by the Traffic Management Act 2004.

We operate within seven local highway authorities and each authority has its own set of traffic management charges.

Our fixed charges for new water mains include standard traffic management measures. These can be:

Table 5.6: Standard traffic management charges included in our fixed charges

Standard traffic management charges
Bus stop suspension
Traffic light suspension
Pedestrian crossing suspension
Parking bay suspension
Permit charge (varies on region/road) per request for access
Charge for manual operation (per day)

However, additional charges may need to be levied depending on the type of traffic management measure required to access your property or development. These charges are



third party charges for major traffic light suspensions, full road closure and lane rental where applicable by Transport for London (TfL) and Surrey County Council.

Surrey County Council has planned to introduce a lane rental scheme from 1 March 2021. The lane rental scheme would apply to streets with a designation of “protected” or “traffic sensitive” on 7.5% of the road network.

The table below provides indicative (non-standard) traffic management charges.

Table 5.7: Indicative (non-standard) traffic management charges (excluded from our fixed charges)

Traffic management measure	Unit	Charge
Full road closure	£/day	2,500
Three way traffic lights (per week)	£/week	516
Four way traffic lights (per week)	£/week	576
Set out ¾ way lights	£/day	254
Lane rental	£/day	2,500 ⁴

All charges are exclusive of VAT

We appreciate that these additional traffic management charges are significant and may impact the total cost of your development. We considered whether it would be appropriate to include these charges within our fixed connection charge to make this more predictable for our customers. However, we concluded it would not be fair to apply these charges across all new connections given these non-standard traffic management measures are site-specific and tend to apply to fewer developments.

We will work with you to ensure these can be minimised, where possible, by assessing the most cost-effective way of undertaking the work whilst meeting your requirements and timescales for connecting your property or development.

5.6. Special circumstances for new water mains

Laying new water mains can be a complex endeavour and as such different charges may apply under special circumstances. For instance, there may be site specific environmental issues associated with a development. Such issues could include, but are not limited to:

- Ground conditions;
- Specialist traffic management;
- Protected species habitats;
- Archaeology;
- Water courses;
- Rail/bridge/motorway infrastructure crossings; and

⁴ Please refer to the Surrey County Council website for more information. At the time of preparing this document, the lane rental scheme was still pending approval.



- Proximity to schools, hospitals or timing with special events.

If your development falls under special circumstances, we will calculate your charges as follows:

- An application fee will be charged as laid out in [Section 5.3](#).
- A specialist site survey and design fee will be charged – **price on application**.
- For the portions of the development that are not subject to special circumstances, the charges will be based on the standard fixed charges laid out in [Section 5.4](#).
- For the portions of the development that are subject to special circumstances, we will charge you for the costs incurred – **price on application**.

The following table provides a non-exhaustive list of categories of charges that may apply under special circumstances and would be priced in quote, as requested.

Table 5.8: List of categories of charges that may apply under special circumstances

Category of charge	Sub-category
Reinstatement	Compliance with the New Roads and Streetworks Act 1991 Specification for Reinstatement of Openings (SROH)
	Additional depth of materials
	Road classification
	Matching road construction such as concrete
Water assets at additional depths	Dewatering
	Health and safety considerations
	Additional material excavation and reinstatement
Hazardous contaminated ground	Survey costs
	Disposal costs
	Pipework and ancillaries upgraded
Construction near other services (e.g. high pressure gas mains, overhead power cables)	Site surveys
	Third party costs
	Out of hours work
Work near to water sources, bridges and other structures	Site surveys
	3rd party costs
	Legal agreements
	Out of hours work
Crossings such as watercourses, railways and motorways	Site surveys
	3rd party costs
	Legal agreements
	Out of hours work
	Site surveys



Category of charge	Sub-category
Invasive flora (e.g. Japanese knotweed, Himalayan Balsam)	Specialist removal/disposal costs
Ecological impacts	Ecological surveys
	Protected species assessment and mitigation
Crossing third party land	Site surveys
	Compensation for landowners
	Legal agreements
Land purchase compensation	Land compensation
	Business owner compensation
	Property owner compensation
Work on strategic mains	Site survey
	Design
	Large diameter branch connection
	Pipework and ancillaries
	Out of hours work
Access to working area	Site survey
	Temporary access road
Site clearance and reinstatement	Site clearance
	Demolition of existing structures
	Landscaping and planting
	Tree avoidance or clearance
Exceptional ground conditions	Ground stabilisation
	Dewatering
Security	Fencing
	Out of hours working
	Manning and patrols

5.7. How to apply and request for a quote for new water mains

5.7.1. Where no special circumstances apply

If you are looking to apply for SES to run a new water main for a development we will need to be receipt of our new connections application form on the website.

Once submitted we will reply by email with a document attached named 'application acknowledgement'. This document will contain our application fee which will depend on the



type of development and type of connection SES carry out. The document will also request any further information we need.

Once the application fee has been paid and any further information requested has been provided the process is as follows:

- a survey and quote will be completed within 28 days;
- any quotation issued by us, will be valid for 90 days;
- application and design fees are required up front of any service provision; and
- subject to re-quote if the scope of work varies from the initial application.

The full cost of the quoted work for connections must be paid prior to works commencing onsite.

5.7.2. Where special circumstances apply

Where the application process varies from the above, the process is:

- Due to the complexities associated with special circumstances, an indicative quote, not fixed priced quote will be provided.
- Only actual costs will be charged to the developer, as such we may credit or debit the difference between the indicative quote.



6. Water main diversion charges

6.1. Introduction

Altering or removing a public water main is referred to as a “diversion”. Given network diversions are usually considered high risk and require diverting large diameter mains and reconnecting them in a different location these services are non-contestable. This means that only SES can undertake diversionary works.

6.2. How we calculate our diversion charges

Due to the complexities associated with any diversionary works fixed charges do not apply. A full survey and understanding of the developer’s requirements will be needed in order to provide a specific quotation for any works.

If you request diversionary works, we will calculate your charges as follows:

- Application fee will be charged as laid out in [Section 5.3](#).
- A specialist site survey and design fee will be charged – **price on application**.
- The costs associated with diverting the water mains, including excavation, reinstatement, traffic management, site visits, etc. will be **priced on application**.

6.3. How to apply and request a quote for diversions

If you are looking to apply for SES to divert a water main we will need to be receipt of our new connections application form on the website.

Once submitted we will reply by email with a document attached named ‘application acknowledgement’. This document will contain our application fee and will also request any further information we need.

Once the application fee has been paid and any further information requested has been provided, the process is as follows:

- a survey and quote will be completed within 28 days;
- application and design fees are required up front of any service provision;
- subject to re-quote if the scope of work varies from the initial application.
- Any quotation issued by us, will be valid for 90 days.

The full cost of the quoted work for connections must be paid prior to works commencing onsite.

Additional costs shall be levied for any unplanned phasing of the works, repeat samples and testing, or any unintended restriction of access for the agreed works to be undertaken.

Prices for such work are included in [Section 5.3](#).



7. Charges applicable to self-lay developments

7.1. Introduction

As explained in [Section 2.1](#), contestable work can be carried out by SLPs or SES. It includes the majority of work a developer needs to serve a new property or development and includes all the work to lay new water mains including testing.

From January 2021, water companies need to publish an Annual Contestability Summary (ACS) on their website. Our latest Annual Contestability Summary (ACS) can be found within our [Template Design and Construction specification document](#). Our ACS states the activities which we consider to be contestable.

In summary, work we consider contestable includes:

- For [new service connections](#), an SLP can carry out a connection for pipe diameter up to 63mm. Above 63mm (falls under new water mains connections), only SES can carry out the work.
- For [new water mains](#), all pipe laying can be undertaken by an SLP. However, mains connections requiring a pipe diameter greater than 63mm can only be done by SES.

Work we consider non-contestable includes:

- New service connections and mains connections requiring pipe diameter greater than 63mm;
- Network reinforcement works and related design;
- The connection, commissioning or decommissioning of diverted mains;
- Service connections or mains connections that pose heightened risk; and
- Pipe sizing criteria.

7.2. How we work with SLPs

SLPs receive the same service from us as all other applicants.

Self-lay providers are accredited to the Water Industry Regulation Scheme, administered by Lloyd's Register on behalf of the water industry in England and Wales. This means they:

- have demonstrated they can carry out the water connection work to the same technical, quality and safety standards that SES would;
- as SES adopt the new mains and/or service connections afterwards, it gives applicants the same end result as if SES did the entire job; and
- are subject to regular reviews and site visits by Lloyd's Register to check the ongoing quality of their work.

We support self-lay providers (SLP) and when arranging supplies for a site or new property, we want applicants to choose the installer that best suits their needs and timescales. This may or may not be us. SLPs could be able to offer cost-effective terms and fit in better with your construction programme and might also be able to install multiple utilities.



We are amending our website and application forms to ensure all applicant types are aware of the options for installer available to them.

Our aim is to work in true partnership with SLPs, they support us in delivering connections for the development activity across our region. This helps to enable growth, in our region.

From January 2021 Ofwat are introducing a standard practice across the water industry in England for water companies to follow when adopting self-laid mains and services. More details on the new standard practice, also known as the water code for adoption can be found on Water UK [website](#).

Our [Model Water Adoption Agreement](#) and appendices which explain the minimum information we require, and the [Design and Construction Specification](#) standards can be found on our [webpage](#).

7.3. Our charges for self-lay development

7.3.1. Service connections

If you choose an SLP to undertake the work associated with any service connections work, we will charge for an application fee and a design fee on the same basis as set out in [Table 4.2](#) and captured in [Table 7.1](#) below for ease of reference. However, if you wish the SLP to do the design, we will only charge you an application fee and a design review fee.

Table 7.1: Our fixed charges for application and design of a new service connection

Who does the design?	Service connections	What the charge covers	Unit	Fee (£)
Applicable charges where an SLP requests SES to do the design	Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
	Design fee ^C	Undertake network study and site survey	1-20 connections	127
			>20 connections	147
Applicable charges where an SLP does the design	Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
	Design review ^{NC}	Review of third party design	Flat fee	36

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT

Additionally, you will need to purchase a water meter device from us. Our supply-only charges for water meter devices are captured in [Table 7.2](#) below.

**Table 7.2: Our fixed charges for the supply of water meter devices**

Meter type	Unit	Fee (£)
15mm AMR meter ^{NC}	£/meter	53
15mm external boundary meter ^{NC}	£/meter	17
20/25mm AMR meter ^{NC}	£/meter	65
40mm AMR meter ^{NC}	£/meter	138
50mm external boundary meter ^{NC}	£/meter	75

*C = Contestable**NC = Non-contestable**All charges are exclusive of VAT*

If you require a comparative quote from us, we will charge you on the same basis as set out in [Table 7.1](#).

7.3.2. New water mains

If you choose an SLP to undertake some or all of the on-site work associated with laying new water mains and designing the new scheme, we will not charge for this. However, we will charge a fee to design the non-contestable elements of the mains connection as well as review the mains design produced by your SLP.

Our fixed ancillary charges are presented in [Table 7.3](#) below.

Table 7.3: Our fixed charges for application and design of a new water mains

Who does the design?	Service connections	What the charge covers	Unit	Fee (£)
Applicable charges where an SLP requests SES to do the design	Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
	Design fee ^C	Undertake network study and site survey	1-500 properties	341
			>500 properties	388
Applicable charges where an SLP does the design	Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
	Off-site design and on-site design review ^{NC}	Design for off-site mains connection and design review	Flat fee	224

As mains connections greater than 63mm are non-contestable, we will undertake the work and any mains laying outside of the property boundary (also known as off-site work). Our charges for these works are the same as the ones in [Table 5.5](#). We will also charge an application fee for mains as per [Table 5.3](#).

If you require a comparative quote from us, we will charge you on the same basis as set out in [Table 5.5](#).



PART B – OTHER CHARGES

8. Infrastructure charge

8.1. Introduction

An infrastructure charge is payable when a property is connected to the water network for the first time. The charge is a contribution to the additional cost of providing the infrastructure of pipes, pumping stations and treatment works necessary for the provision of water services as a consequence of new developments.

8.2. How we calculate our infrastructure charge

In Charging Year 2020/21, we calculated the infrastructure charge by taking (a) the five-year rolling average of forecast water network reinforcement spend divided by (b) the average number of connections over the same five-year rolling period. The approach also captured (c) an adjustment to account for the outturn network reinforcement spend as well as (d) an adjustment to account for the outturn number of new connections. These adjustments reflected outturn data with a two-year lag⁵ smoothed over the five-year rolling period. The infrastructure charge was therefore calculated as the sum of (a) and (c) divided by the sum of (b) and (d).

Following our consultation and internal review of the infrastructure charge, we made minor changes to the way we calculate the infrastructure charge to mitigate the risk of volatility between years.

For Charging Year 2021/22, our infrastructure charge is calculated by:

- (a) Taking the sum of the spend on water network reinforcement associated with new connections over a five-year rolling forecast period.
- (b) Calculating the difference between the outturn spend and outturn water network reinforcement revenue (subject to a two-year lag).
- (c) Calculating the difference between the forecast spend on water network reinforcement in the current financial year and latest forecast for infrastructure revenue to be invoiced in the current financial year.
- (d) Taking the sum of (b) and (c) which represents a true-up of spend and revenue.
- (e) Taking the sum of the estimated number of new connections over a five-year rolling period.

⁵ For example, charges for Charging Year 2021/22 are prepared in autumn 2020. As such, the outturn data for Charging Year 2020/21 is not available. Consequently, any adjustment for outturn data is lagged by two years, i.e., for Charging Year 2019/20.



- Infrastructure charge is therefore calculated as the sum of (a) and (d) divided by (e).

$$\text{Infrastructure charge} = \frac{a + d}{e}$$

- The result gives us a £/connection infrastructure charge.

As a result of this, the infrastructure charge for 2021/22 is lower than it would have been otherwise under the 2020/21 approach. This is because the adjustments (i.e., under/over recovery⁶) are captured for both the cost of investment and infrastructure income and their impact is smoothed over the same five-year rolling period and revisited each year for continuous adjustment. This results in a more stable and predictable infrastructure charge that is less likely to fluctuate due to yearly shocks. This ensures that current and future expenditure on to the network to cover the demand for new development and growth is reflected fairly and transparently to all customers.

We apply a single level of infrastructure charge across our supply area, i.e., a flat rate, as we plan our water supplies as a single water resource zone and have the ability to supply much of the area from more than one treatment works.

8.2.1. Standard domestic property

The infrastructure charge is calculated based on a standard domestic property, i.e., a separately billed house, or flat requiring a 25mm service connection.

For 2021/22 our infrastructure charge for a standard domestic property is presented in [Table 8.1](#) below.

Table 8.1: Our standard domestic property infrastructure charge

Infrastructure charge	Unit	Fee (£)
Infrastructure charge	£/connection	417

All charges are exclusive of VAT

Although the infrastructure charge is higher in 2021/22 (£417) compared to 2020/21 (£369), the net infrastructure charge is lower given the higher income offset applied (see [Section 9](#) for more details).

As we are a water-only company, our infrastructure charge is for our own water infrastructure. We also collect sewage infrastructure charges on behalf of Thames Water where applicable. These prices are set by Thames Water on an annual basis. For more information, please refer to [Thames Water](#) website.

8.2.2. For non-standard domestic and non-domestic properties

For domestic and non-domestic properties requiring a service connection greater than 25mm, e.g., student housing, offices or care homes, a Relevant Multiplier is applied to the

⁶ Also subject to a two-year lag.



infrastructure charge based upon the number of water fittings and their related loading units where provided. The rationale for applying the Relevant Multiplier is to reflect the increased impact larger service connections have on our network.

The Relevant Multiplier is based on each type of water fitting being assigned a “loading unit” based on the amount of water it uses. The industry-wide assumption is that the average number of units for a standard property is 24 which represents a Relevant Multiplier of 1.0.

To calculate the Relevant Multiplier for each non-standard property on a development where the Relevant Multiplier applies, we use the following approach:

- Add up the loading units attributable to the number and type of water fittings in a non-standard property.
- Divide the aggregate loading units by 24.

The resulting number is the Relevant Multiplier. If the resulting number is less than 1, the relevant multiplier will be 1. This Relevant Multiplier is then applied to the standard water infrastructure charge in order to calculate the amount payable for the relevant connection.

Table 8.2: Loading units for non-standard and non-domestic properties to calculate the Relevant Multiplier

Appliance type	Loading units
WC flushing cistern	2.0
Wash Basin in house	1.5
Wash Basin Elsewhere	3.0
Bath Tap size 20mm nominal	10.0
Bath Tap size over 20mm	22.0
Shower	3.0
Sink Tap size 20mm nominal	3.0
Sink Tap size over 20mm	5.0
Spray Tap	0.5
Bidet	1.5
Domestic Appliances	3.0
Commercial /Communal Appliances	10.0
Any other water outlet	3.0

Example of a residential development

- The residential development consists of 10 luxury flats with a common billing agreement.
- Total loading units are 300 (based on the appliance type fitted in the luxury flats).
- Divide the total loading units by the standard loading.
 $\text{Relevant Multiplier} = 300 \div 24$
 $\text{Relevant Multiplier} = 12.5$



Example of a residential development

- The resulting infrastructure charge for the whole development (all 10 luxury flats) is therefore:
Relevant Multiplier x standard infrastructure charge
 $12.5 \times £417 = \text{£}5,213$

Example of a commercial development

- The commercial development consists of a building containing two office spaces.
- The combined loading units of the entire commercial development is 470, i.e. based on the appliance type fitted in the commercial development.
- Divide the total loading units by the standard loading.
Relevant Multiplier = $470 \div 24$
Relevant Multiplier = 19.6
- The resulting infrastructure charge for the entire commercial development (both office spaces) is therefore:
Relevant Multiplier x standard infrastructure charge
 $19.6 \times £417 = \text{£}8,173$

Where no table of loading units is provided but a flow rate is requested, BSEN 806 Part 3 Appendix B shall be used to convert the flow rate to loading units to calculate the relevant multiplier.

Where a table of loading units is provided but a meter and connection size of higher capacity is requested, BSEN 806 Part 3 Appendix B shall be used to convert the maximum continuous flow of the requested meter size to loading units to calculate the relevant multiplier. Alternatively, the connection shall be provided with no additional capacity and shall be sized based on the table of loading units provided.

We also offer reduced infrastructure charges for water efficient properties and redeveloped sites. See [Section 8.3](#) below.

8.3. Our offering for reduced infrastructure charge

We offer two types of discounts on the infrastructure charge provided the customer can meet certain conditions. We describe our offering in the sub-sections below.

8.3.1. Reduced infrastructure charge for water efficient properties

A discount on the infrastructure charge is available for properties built to a higher standard of water efficiency than required by building regulations.⁷

⁷ Building requirements are contained in Part G of the Building Regulations, 2010.



We offer the following discounts:

- A 15% reduction on the infrastructure charge per connection if all bathroom fittings are 'A'-rated based on the water label **OR** rainwater harvesting or greywater recycling is fitted. This equates to a water usage of around 105 litres/person/day.
- A 30% reduction on the infrastructure charge per connection if all bathroom fittings are 'A'-rated based on the water label **AND** either rainwater harvesting, or greywater recycling is fitted. This equates to a water usage of around 80 litres/person/day.

The developer shall provide evidence of the rating of fittings to be installed. Where rainwater harvesting or greywater harvesting is installed, we will require evidence that the pipework connections to the system are installed by a plumber qualified under the Watersafe™ scheme.⁸

We also require evidence that these systems are maintained under a management contract to ensure they continue to provide water efficiency savings and to minimise the risk of leakage or water quality issues.

8.3.2. Reduced infrastructure charge for redeveloped sites

Infrastructure charge is discounted to zero where a site is developed or redeveloped and there were, within the period of five years before the development or redevelopment began on that site, premises with a water connection (direct or indirect) for domestic purposes. Any additional connections will be subject to infrastructure charges and appropriate discounts as previously explained.

For instance, if a new Development of 20 properties is built on a site that previously had five properties and were connected to the network in the last five years, the infrastructure charge will be reduced to apply to 15 properties.

⁸ www.watersafe.org.uk



9. Maintaining the broad balance of charges

In accordance with the Ofwat Charges Scheme rules, we have made provision for a discount on the infrastructure charge for each new property connected to the network in order to broadly maintain the balance between the contributions to costs by developers and other customers prior to 1 April 2018. This discount is known as the income offset.

In the past, we have used the Discounted Aggregate Deficit (DAD) approach to calculate the income offset. We modelled the potential development mains work for a Charging Year and ran the cost of the schemes through the DAD calculator to establish the monies to be recovered upfront from the new customers and the contribution to be made by us. The contribution by us was shared across all new connections in the form of a discount, regardless of the type of development, i.e., flat income offset. The DAD approach also required a number of assumptions such as the annual cost of borrowing, the interest rate, the occupancy profile or new developments, the average annual income per property, etc.

Many water companies no longer use the DAD approach since the reforms to charging rules with respect to the income offset and the replacement of asset payments came into effect from 1 April 2020. This is because there is no longer a prescribed methodology to calculate the income offset now that it is applied to the infrastructure charge instead of the requisition charge.

Consequently, for Charging Year 2021/22, we have modified our approach to calculate the income offset. Instead of using the DAD approach, we now apply a fixed income offset rate to our mains requisitions costs to keep the contributions of developers and other customers broadly balanced over time.

The income offset rate has been derived by looking at the historical income offset offered in the three years prior to 1 April 2018 against mains requisition costs. Our simplified approach consists of using a fixed income offset rate, i.e., a percentage, to calculate the income offset per connection.

This is done by:

- (a) Taking the sum of the spend on mains requisition in the Charging Year;
- (b) Multiplying (a) with the fixed income offset rate; and
- (c) Dividing (b) by the forecast of new connections for the Charging Year.

Our fixed allowance for the income offset for 2021/22 is presented in [Table 9.1](#) below.

Table 9.1: Our income offset

Income offset	Unit	Fee (£)
Income offset	£/connection	-415

All charges are exclusive of VAT

The income offset of £415 is applied as a discount to the infrastructure charge of £417. As such the net infrastructure charge is £2 per connection for 2021/22. This is a reduction in cost to the developer compared to the net infrastructure charge of £204 in 2020/21.



PART C – PRACTICAL ISSUES

10. Transitioning to the new charging arrangements in April 2021

Our new Charging Arrangements are effective from 1 April 2021 until 31 March 2022.

All applications received before 1 April 2021 will be subject to our 2020/21 Charging Arrangements. Our quotes are valid for 90 days.

After 1 April 2021, if a customer has not accepted and paid for a previous quote issued under the 2020/21 Charging Arrangements that is still within the validity period and feel they would be better off under the new 2021/22 Charging Arrangements, they can request a requote (subject to a requote fee). Once the new quote is produced based on the 2021/22 Charging Arrangements, the customer has the choice to accept and proceed under the initial quote or the new quote.

For the avoidance of doubt, the payments options for the infrastructure charge (and associated income offset) remain unchanged for 2021/22:

A customer has two payment options for infrastructure charges:

- A customer can pay for the infrastructure charge upfront, at the same time as paying for the rest of the quote.
- A customer can pay for the infrastructure charge in arrears, upon completion of the works.

In either case, the customer pays for the infrastructure charge as quoted.

All quotes issued after 1 April 2021 will be subject to our 2021/22 Charging Arrangements.



PART D – APPENDICES

Appendix A **Worked examples**

The following worked examples have been developed in accordance with the worked examples of typical developments set out by Ofwat in their Information Notice IN 20/07 to provide examples of typical single connections, flats, small, medium and large developments and the associated charges that would accompany the work. It also captured the same small, medium and large development where an SLP would carry out the Contestable work.



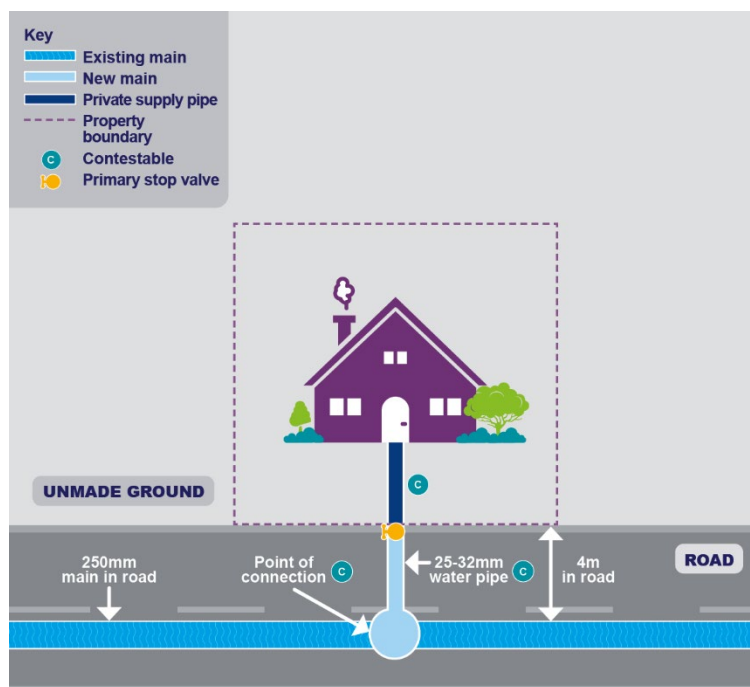
A.1. Single household connections

Single household connection – short connection

In the example, we consider the total cost of a new connection for a single household with the following specifications:

- 4 metres of pipe laying in the road;
- Service connection to the live main includes costs for service pipe, boundary box fitting, excavation, reinstatement, internal meter device and standard traffic management; and
- Pipe specifications are 25-32mm PE (i.e. barrier pipe not required).

Below we show diagrammatic representation of the single household connection.



Under our 2021/22 Charging Arrangements, the following fixed charges would apply:

Table A.1: Single household short connection worked example

Item	Surface type	No of units	Unit rate (£/unit)	Charges (£)
A. Application fee ^{NC}		1 qty	55	55
B. Design fee ^C		1 qty	127	127
C. Service connection			-	993
*25/32mm connection ^C	Road	1 qty	811	811
25/32mm pipe ^C	Road	2 metres	91	182
D. Infrastructure charge		1 qty	417	417
E. Income offset		1 qty	-415	-415
Total (A+B+C+D+E)				1,177

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT

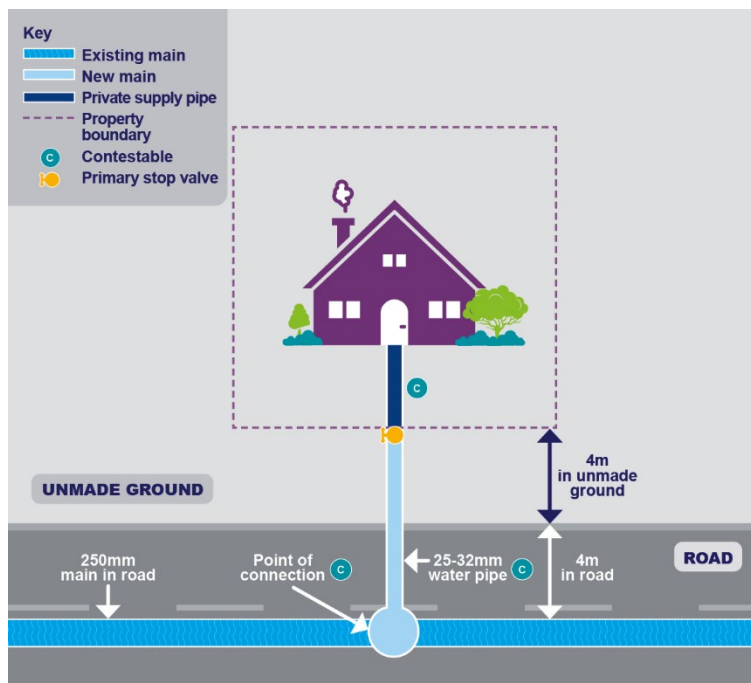


Single household connection – long connection

In the example, we consider the total cost of a new connection for a single household with the following specifications:

- 4 metres of pipe laying in the road;
- 4 metres of pipe laying in unmade ground;
- Service connection to the live main includes costs for service pipe, boundary box fitting, excavation, reinstatement, internal meter device and standard traffic management; and
- Pipe specifications are 25-32mm PE (i.e. barrier pipe not required).

Below we show diagrammatic representation of the single household connection.



Under our 2021/22 Charging Arrangements, the following fixed charges would apply:

Table A.2: Single household long connection worked example

Item	Surface type	No of units	Unit rate (£/unit)	Charges (£)
A. Application fee ^{NC}		1 qty	55	55
B. Design fee ^C		1 qty	127	127
C. Service connection			-	1,209
*25/32mm connection ^C	Road	1 qty	811	811
25/32mm pipe ^C	Road	2 metres	91	182
25/32mm pipe ^C	Unmade	4 metres	54	216
D. Infrastructure charge		1 qty	417	417
E. Income offset		1 qty	-415	-415
Total (A+B+C+D+E)				1,393

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT

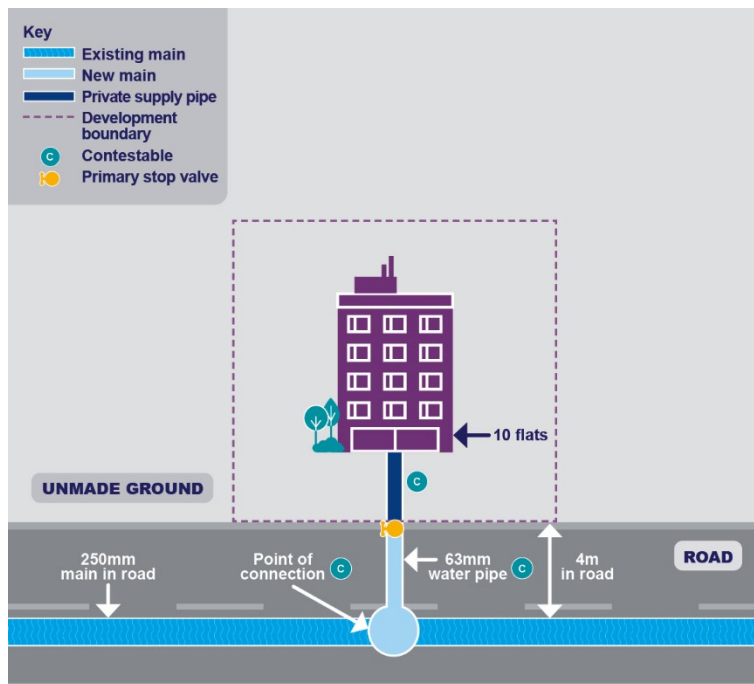


A.2. New block of flats

New block of flats – short connection

In the example, we consider the total cost of a new connection services for a new block of flats with the following specifications:

- Large diameter water connection to an existing main, including service pipe, boundary box fitting, excavation and reinstatement;
- 4 metres of pipe laying in the road;
- Pipe specifications are PE pipe 63mm (i.e. barrier pipe not required).
- Service connection includes costs for 10 internal meter devices (15mm); and
- Standard traffic management costs included;



Below we show diagrammatic representation of the new block of flats connection.

Table A.3: New block of 10 flats short connection worked example

Item	Surface type	No of units	Unit rate (£/unit)	Charges (£)
A. Application fee ^{NC}		1 qty	55	55
B. Design fee ^C		1 qty	341	341
C. Service connection charge				530
15mm internal meters		10 qty	53	530
D. Mains connections & pipe laying				4,479
63mm connection ^C	Road	1 qty	3,873	3,873
63mm pipe ^C	Road	3 metres	202	606
E. Infrastructure charge		10 qty	417	4,170
F. Income offset		10 qty	-415	-4,150
Total (A+B+C+D+E+F)				5,425

C = Contestable

NC = Non-contestable

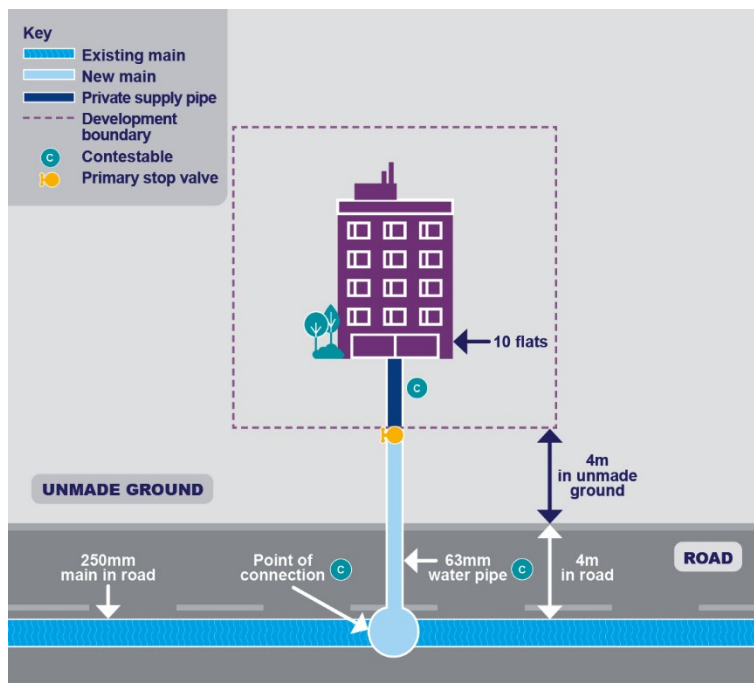
All charges are exclusive of VAT



New block of flats – long connection

In the example, we consider the total cost of a new connection services for a new block of flats with the following specifications:

- Large diameter water connection to an existing main, including service pipe, boundary box fitting, excavation and reinstatement;
- 4 metres of pipe laying in the road;
- 4 metres of pipe laying in unmade ground;
- Pipe specifications are PE pipe 63mm (i.e. barrier pipe not required).
- Service connection includes costs for 10 internal meter devices (15mm); and
- Standard traffic management costs included;



Below we show diagrammatic representation of the new block of flats connection.

Table A.4: New block of 10 flats long connection worked example

Item	Surface type	No of units	Unit rate (£/unit)	Charges (£)
A. Application fee ^{NC}		1 qty	55	55
B. Design fee ^C		1 qty	341	341
C. Service connection charge				530
15mm internal meters		10 qty	53	530
D. Mains connections & pipe laying				4,855
63mm connection ^C	Road	1 qty	3,873	3,873
63mm pipe ^C	Road	3 metres	202	606
63mm pipe ^C	Unmade	4 metres	94	376
E. Infrastructure charge		10 qty	417	4,170
F. Income offset		10 qty	-415	-4,150
Total (A+B+C+D+E+F)				5,801

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT



A.3. Housing developments

Small housing development

In the example, we consider the total cost of a new connection services for a small housing development consisting of 10 properties with the following specifications:

On-site, i.e. within the property boundary:

- 10 service connections off new mains with pipe laying in unmade ground of 3 metres for each property;
- Service connection includes costs for 10 internal meter devices (15mm); service pipe, boundary box fitting, excavation and reinstatement;

Off-site, i.e., off the property boundary:

- Connection to existing live main using 90mm PE pipe and 10 metres of pipe laying in a road leading to the point of connection;
- 20 metres of pipe laying in unmade surface; PE pipe diameter of 90mm;
- 20 metres of pipe laying in unmade surface; PE pipe diameter of 63mm; and
- Excavation, reinstatement and standard traffic management costs included.

Below we show diagrammatic representation of the small housing development.

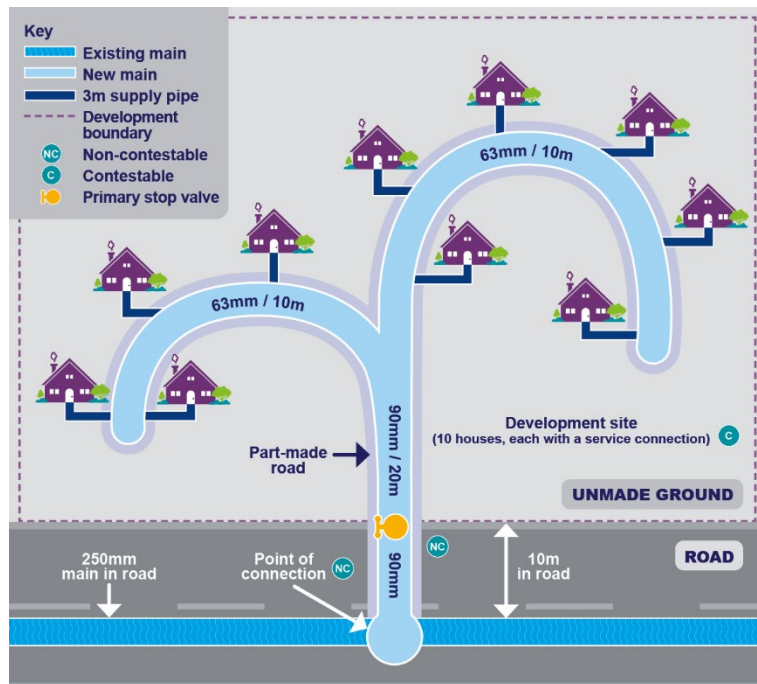




Table A.5: Housing development of 10 properties worked example

Item	Surface type	No of units	Unit rate (£/unit)	Charges (£)
A. Application fee ^{NC}		1 qty	55	55
B. Design fee ^C		1 qty	341	341
C. Service connection				5,090
*25/32mm connection ^C	Unmade	10 qty	455	4,550
25/32mm pipe ^C	Unmade	10 metres	54	540
D. Mains connections & pipe laying				11,011
90mm connection ^{NC}	Road	1 qty	5,433	5,433
90mm pipe ^{NC}	Road	9 metres	202	1,818
90mm pipe ^C	Unmade	20 metres	94	1,880
63mm pipe ^C	Unmade	20 metres	94	1,880
E. Infrastructure charge		10 qty	417	4,170
F. Income offset		10 qty	-415	-4,150
Total (A+B+C+D+E+F)				16,517

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT



Medium housing development

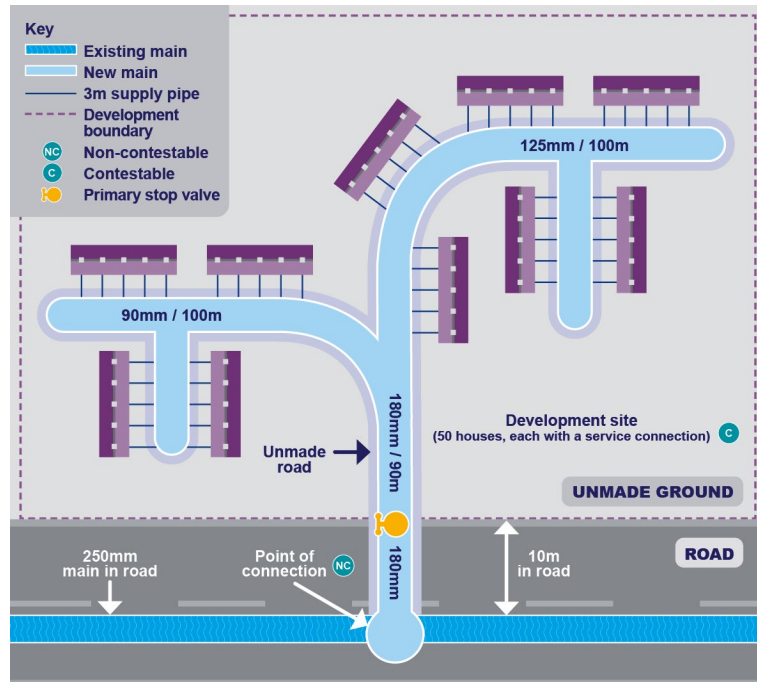
In the example, we consider the total cost of a new connection services for a medium housing development consisting of 50 properties with the following specifications:

On-site, i.e. within the property boundary:

- 50 service connections off new mains with pipe laying in unmade ground of 3 metres for each property;
- Service connection includes costs for 50 internal meter devices (15mm); service pipe, boundary box fitting, excavation and reinstatement;

Off-site, i.e., off the property boundary:

- Connection to existing live main using 180mm PE pipe and 10 metres of pipe laying in a road leading to the point of connection;
- 90 metres of pipe laying in unmade surface; PE pipe diameter of 180mm;
- 100 metres of pipe laying in unmade surface; PE pipe diameter of 125mm;
- 100 metres of pipe laying in unmade surface; PE pipe diameter of 90mm; and
- Excavation, reinstatement and standard traffic management costs included.



Below we show diagrammatic representation of the medium housing development.



Table A.6: Housing development of 50 properties worked example

Item	Surface type	No of units	Unit rate (£/unit)	Charges (£)
A. Application fee ^{NC}		1 qty	55	55
B. Design fee ^C		1 qty	341	341
C. Service connection			-	25,450
*25/32mm connection ^C	Unmade	50 qty	455	22,750
25/32mm pipe ^C	Unmade	50 metres	54	2,700
D. Mains connections & pipe laying			-	39,192
180mm connection ^{NC}	Road	1 qty	6,370	6,370
180mm pipe ^{NC}	Road	9 metres	248	2,232
180mm pipe ^C	Unmade	90 metres	131	11,790
125mm pipe ^C	Unmade	100 metres	94	9,400
90mm pipe ^C	Unmade	100 metres	94	9,400
E. Infrastructure charge		50 qty	417	20,850
F. Income offset		50 qty	-415	-20,750
Total (A+B+C+D+E+F)				65,138

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT



Large housing development

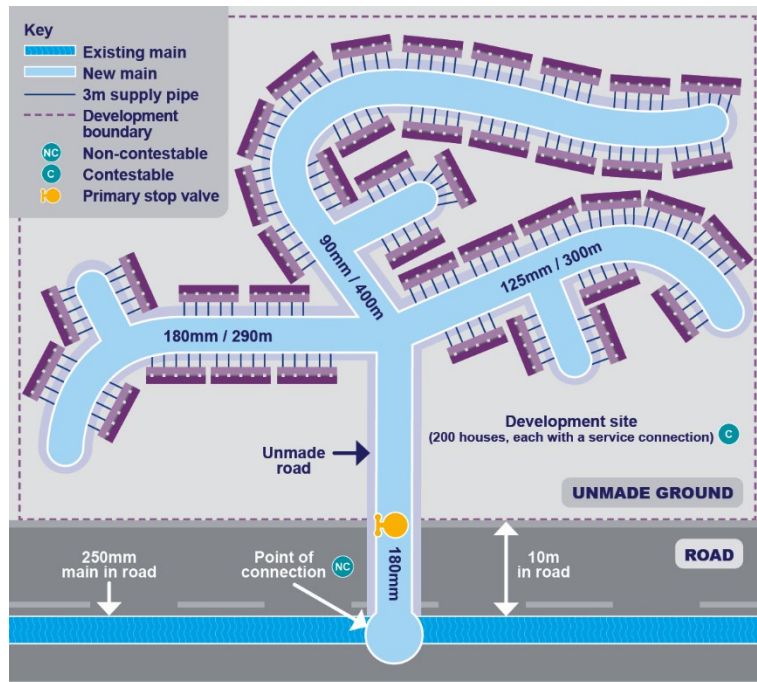
In the example, we consider the total cost of a new connection services for a large housing development consisting of 200 properties with the following specifications:

On-site, i.e. within the property boundary:

- 200 service connections off new mains with pipe laying in unmade ground of 3 metres for each property;
- Service connection includes costs for 200 internal meter devices (15mm); service pipe, boundary box fitting, excavation and reinstatement;

Off-site, i.e., off the property boundary:

- Connection to existing live main using 180mm PE pipe and 10 metres of pipe laying in a road leading to the point of connection;
- 290 metres of pipe laying in unmade surface; PE pipe diameter of 180mm;
- 300 metres of pipe laying in unmade surface; PE pipe diameter of 125mm;
- 400 metres of pipe laying in unmade surface; PE pipe diameter of 90mm; and
- Excavation, reinstatement and standard traffic management costs included.



Below we show diagrammatic representation of the large housing development.



Table A.7: Housing development of 200 properties worked example

Item	Surface type	No of units	Unit rate (£/unit)	Charges (£)
A. Application fee ^{NC}		1 qty	55	55
B. Design fee ^C		1 qty	341	341
C. Service connection			-	101,800
*25/32mm connection ^C	Unmade	200 qty	455	91,000
25/32mm pipe ^C	Unmade	200 metres	54	10,800
D. Mains connections & pipe laying			-	112,392
180mm connection ^{NC}	Road	1 qty	6,370	6,370
180mm pipe ^{NC}	Road	9 metres	248	2,232
180mm pipe ^C	Unmade	290 metres	131	37,990
125mm pipe ^C	Unmade	300 metres	94	28,200
90mm pipe ^C	Unmade	400 metres	94	37,600
E. Infrastructure charge		200 qty	417	83,400
F. Income offset		200 qty	-415	-83,000
Total (A+B+C+D+E+F)				214,988

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT



A.4. Self-lay housing developments

Small housing development developed by an SLP

In the example, we consider the SES charges that are applicable where a developer requests an SLP to undertake the works.

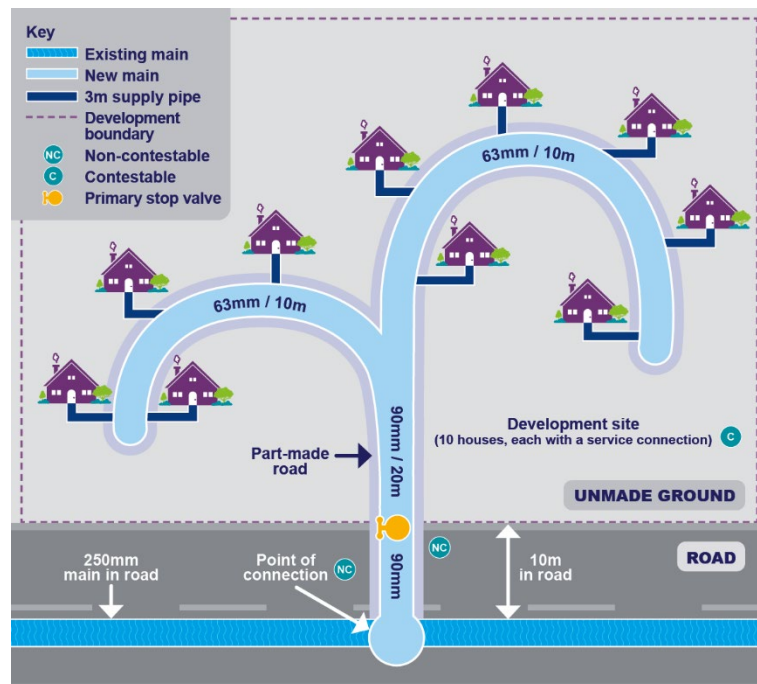
A small housing development consisting of 10 properties with the following specifications:

On-site, i.e. within the property boundary – works done by an SLP:

- 10 service connections off new mains with pipe laying in unmade ground of 3 metres for each property;
- Service connection includes costs for 10 internal meter devices (15mm); service pipe, boundary box fitting, excavation and reinstatement;

Off-site, i.e., off the property boundary – works done by SES:

- Connection to existing live main using 90mm PE pipe and 10 metres of pipe laying in a road leading to the point of connection;
- 20 metres of pipe laying in unmade surface; PE pipe diameter of 90mm;
- 20 metres of pipe laying in unmade surface; PE pipe diameter of 63mm; and
- Excavation, reinstatement and standard traffic management costs included.



Below we show diagrammatic representation of the small housing development. An SLP would undertake all of the contestable elements (i.e., on-site) of the small housing development.



Table A.8: Housing development of 10 properties undertaken by an SLP worked example

Item	Surface type	No of units	Unit rate (£/unit)	Where an SLP does the design Charges (£)	Where SES does the design Charges (£)
A. Application fee ^{NC}		1 qty	55	55	55
B. Design fee ^C		1 qty	341	N.A.	341
C. Off-site design & on-site design review ^{NC}		1 qty	224	224	N.A.
D. Service connection			-	-	-
*25/32mm connection ^C	Unmade	10 qty	455	SLP	SLP
25/32mm pipe ^C	Unmade	10 metres	54	SLP	SLP
E. Mains connections & pipe laying			-	7,251	7,251
90mm connection ^{NC}	Road	1 qty	5,433	5,433	5,433
90mm pipe ^{NC}	Road	9 metres	202	1,818	1,818
90mm pipe ^C	Unmade	20 metres	94	SLP	SLP
63mm pipe ^C	Unmade	20 metres	94	SLP	SLP
F. Infrastructure charge		10 qty	417	4,170	4,170
G. Income offset		10 qty	-415	-4,150	-4,150
Total (A+B+C+D+E+F+G)				7,550	7,667

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT



Medium housing development by an SLP

In the example, we consider the SES charges that are applicable where a developer requests an SLP to undertake the works.

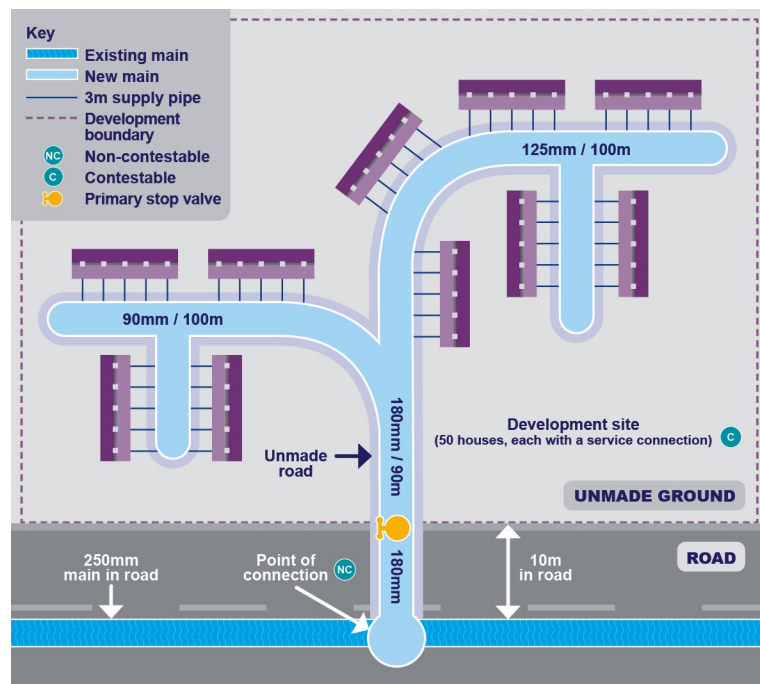
A medium housing development consisting of 50 properties with the following specifications:

On-site, i.e. within the property boundary – works done by an SLP:

- 50 service connections off new mains with pipe laying in unmade ground of 3 metres for each property;
- Service connection includes costs for 50 internal meter devices (15mm); service pipe, boundary box fitting, excavation and reinstatement;

Off-site, i.e., off the property boundary – works done by SES:

- Connection to existing live main using 180mm PE pipe and 10 metres of pipe laying in a road leading to the point of connection;
- 90 metres of pipe laying in unmade surface; PE pipe diameter of 180mm;
- 100 metres of pipe laying in unmade surface; PE pipe diameter of 125mm;
- 100 metres of pipe laying in unmade surface; PE pipe diameter of 90mm; and
- Excavation, reinstatement and standard traffic management costs included.



Below we show diagrammatic representation of the medium housing development.



Table A.9: Housing development of 50 properties by an SLP worked example

Item	Surface type	No of units	Unit rate (£/unit)	Where an SLP does the design Charges (£)	Where SES does the design Charges (£)
A. Application fee ^{NC}		1 qty	55	55	55
B. Design fee ^C		1 qty	341	N.A.	341
C. Off-site design & on-site design review ^{NC}		1 qty	224	224	N.A.
D. Service connection			-	-	-
*25/32mm connection ^C	Unmade	50 qty	455	SLP	SLP
25/32mm pipe ^C	Unmade	50 metres	54	SLP	SLP
E. Mains connections & pipe laying			-	8,602	8,602
180mm connection ^{NC}	Road	1 qty	6,370	6,370	6,370
180mm pipe ^{NC}	Road	9 metres	248	2,232	2,232
180mm pipe ^C	Unmade	90 metres	131	SLP	SLP
125mm pipe ^C	Unmade	100 metres	94	SLP	SLP
90mm pipe ^C	Unmade	100 metres	94	SLP	SLP
F. Infrastructure charge		50 qty	417	20,850	20,850
G. Income offset		50 qty	-415	-20,750	-20,750
Total (A+B+C+D+E+F+G)			-	8,981	9,098

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT



Large housing development by an SLP

In the example, we consider the SES charges that are applicable where a developer requests an SLP to undertake the works.

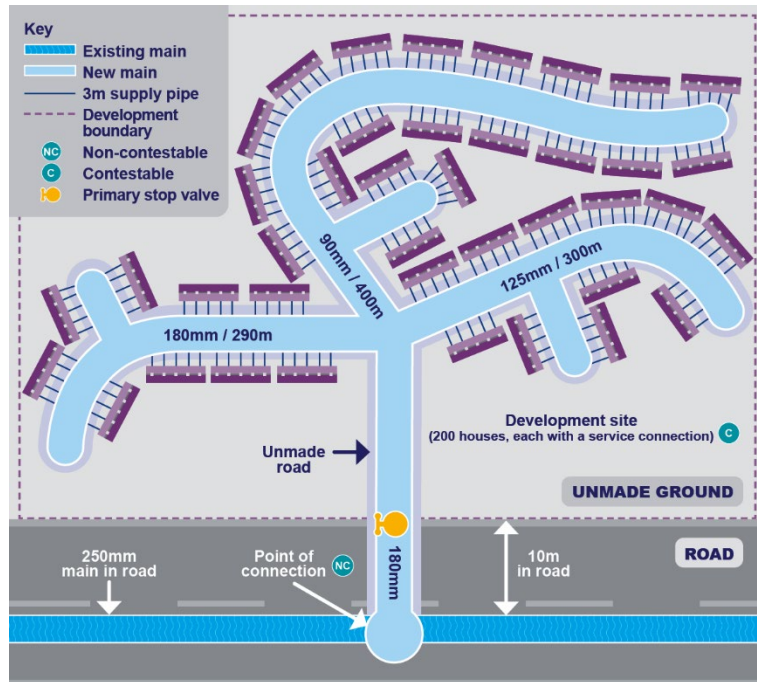
A large housing development consisting of 200 properties with the following specifications:

On-site, i.e. within the property boundary – works done by an SLP:

- 200 service connections off new mains with pipe laying in unmade ground of 3 metres for each property;
- Service connection includes costs for 200 internal meter devices (15mm); service pipe, boundary box fitting, excavation and reinstatement;

Off-site, i.e., off the property boundary – works done by SES:

- Connection to existing live main using 180mm PE pipe and 10 metres of pipe laying in a road leading to the point of connection;
- 290 metres of pipe laying in unmade surface; PE pipe diameter of 180mm;
- 300 metres of pipe laying in unmade surface; PE pipe diameter of 125mm;
- 400 metres of pipe laying in unmade surface; PE pipe diameter of 90mm; and
- Excavation, reinstatement and standard traffic management costs included.



Below we show diagrammatic representation of the large housing development.



Table A.10: Housing development of 200 properties by an SLP worked example

Item	Surface type	No of units	Unit rate (£/unit)	Where an SLP does the design Charges (£)	Where SES does the design Charges (£)
A. Application fee ^{NC}		1 qty	55	55	55
B. Design fee ^C		1 qty	341	N.A.	341
C. Off-site design on-site design review ^{NC}		1 qty	224	224	N.A.
D. Service connection			-	-	-
*25/32mm connection ^C	Unmade	200 qty	455	SLP	SLP
25/32mm pipe ^C	Unmade	200 metres	54	SLP	SLP
E. Mains connections & pipe laying			-	8,602	8,602
180mm connection ^{NC}	Road	1 qty	6,370	6,370	6,370
180mm pipe ^{NC}	Road	9 metres	248	2,232	2,232
180mm pipe ^C	Unmade	290 metres	131	SLP	SLP
125mm pipe ^C	Unmade	300 metres	94	SLP	SLP
90mm pipe ^C	Unmade	400 metres	94	SLP	SLP
F. Infrastructure charge		200 qty	417	83,400	83,400
G. Income offset		200 qty	-415	-83,000	-83,000
Total (A+B+C+D+E+F+G)			-	9,281	9,398

* includes up to 2 metres of pipe

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT



Appendix B Summary of our 2021/22 charges

B.1. Services connections

Table 4.2: Our fixed ancillary charges

Service connections	What the charge covers	Unit	Fee (£)
Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
Design fee ^C	Undertake network study and site survey	1-20 connections	127
		>20 connections	147
Re-quote fee ^{NC}	Costs of updating the network study, recalculating and re-issuing your quote	Flat fee	36
Phased connection works ^C	Costs associated with demobilizing and remobilizing equipment to carry out our work	Per phase	374
Additional site visit ^{NC}	Where an additional site visit is required due to, e.g. changes required to the design	per meeting	94
Additional regulations inspection ^C abortive visit fee ^C	Where an additional regulations inspection is required or where the customer cancels the inspection	per inspection	54

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT

Table 4.3: Our fixed charges for the supply of water meter devices

Meter type	Unit	Fee (£)
15mm AMR meter ^{NC}	£/meter	53
15mm external boundary meter ^{NC}	£/meter	17
20/25mm AMR meter ^{NC}	£/meter	65
40mm AMR meter ^{NC}	£/meter	138
50mm external boundary meter ^{NC}	£/meter	75

C = Contestable

NC = Non-contestable

All charges are exclusive of VAT

Table 4.4: Our fixed charges for service connections

Type of pipe	Surface type	Unit	Connection charge Diameter: 25/32/ 50mm ^C
	Pre-excavated	£/connection	455



Type of pipe	Surface type	Unit	Connection charge Diameter: 25/32/ 50mm ^C
PE pipe (barrier pipe not needed)	Unmade ground	£/connection	455
	Highway verge	£/connection	656
	Flexible surface (footpath/ road/ carriageway)	£/connection	811
	Rigid surface/ carriageway	£/connection	925
PE barrier pipe	Pre-excavated	£/connection	584
	Unmade ground	£/connection	584
	Highway verge		785
	Flexible surface (footpath/ road/ carriageway)	£/connection	939
	Rigid surface/ carriageway	£/connection	1,054
PE pipe and PE barrier pipe (cost over 2 metres)	Pre-excavated	£/metre	54
	Unmade ground	£/metre	54
	Highway verge	£/metre	55
	Flexible surface (footpath/ road/ carriageway)	£/metre	91
	Rigid surface/ carriageway	£/metre	133
C = Contestable NC = Non-contestable All charges are exclusive of VAT			

Table 4.6: Indicative (non-standard) traffic management charges (excluded from our fixed charges)

Traffic management measure	Unit	Charge
Full road closure	£/day	2,500
Three way traffic lights (per week)	£/week	516
Four way traffic lights (per week)	£/week	576
Set out ¾ way lights	£/day	254
Lane rental	£/day	2,500 ⁹

All charges are exclusive of VAT

⁹ Please refer to the Surrey County Council website for more information. At the time of preparing this document, the lane rental scheme was still pending approval.



B.2. New water mains

Table 5.3: Our fixed ancillary charges

Mains	What the charge covers	Unit	Fee (£)
Application fee ^{NC}	Issue and review application form, undertake network study, site survey and issue of quotation	per application	55
Re-quote fee ^{NC}	Costs of updating, recalculating, re-designing and re-issuing your quote	Flat fee	133
Design fee ^C	Undertake network study and site survey	1-500 properties	341
		>500 properties	388
Phased connection works ^C	Costs associated with demobilizing and remobilizing equipment to carry out our work	per phase	3,116
Additional site visit ^{NC}	Where an additional site visit is required due to, e.g. changes required to the design	per meeting	94
Additional regulations inspection ^C or abortive visit fee ^C	Where an additional regulations inspection is required or where the customer cancels the inspection	per inspection	54

C = Contestable NC = Non-contestable All charges are exclusive of VAT

Table 5.4: Our fixed charges for laying new water mains

Type of pipe	Surface type	Unit	New mains connection charge Diameter:		
			63/90/ 125mm ^C	180/225/ 250mm ^C	315/ 355mm ^{NC}
PE pipe (barrier pipe not needed)	Pre-excavated	£/metre	57	99	186
	Unmade ground	£/metre	94	131	209
	Highway verge	£/metre	98	135	218
	Flexible surface (footpath/ road/ carriageway)	£/metre	202	248	353
	Rigid surface/ carriageway	£/metre	228	275	378
PE barrier pipe	Pre-excavated	£/metre	95	97	150
	Unmade ground		123	125	182
	Highway verge	£/metre	127	129	190



Type of pipe	Surface type	Unit	New mains connection charge		
			Diameter:		
			63/90/ 125mm ^C	180/225/ 250mm ^C	315/ 355mm ^{NC}
	Flexible surface (footpath/ road/ carriageway)	£/metre	231	242	318
	Rigid surface/ carriageway	£/metre	257	269	342

C = Contestable NC = Non-contestable All charges are exclusive of VAT

Table 5.5: Our fixed charges for new mains connections

Surface type/ external diameter for PE pipes	Unit	New mains connection charge			
		Diameter:			
		63mm ^C	90/125mm ^{NC}	180/225/ 250mm ^{NC}	315/ 355mm ^{NC}
Pre-excavated	£/connection	3,282	4,251	5,098	9,134
Unmade ground	£/connection	3,282	4,251	5,098	9,134
Highway verge	£/connection	3,353	4,393	5,241	9,321
Flexible surface (footpath/ road/ carriageway)	£/connection	3,873	5,433	6,370	10,670
Rigid surface/ carriageway	£/connection	4,002	5,691	6,642	10,922

C = Contestable NC = Non-contestable All charges are exclusive of VAT

Table 5.7: Indicative (non-standard) traffic management charges (excluded from our fixed charges)

Traffic management measure	Unit	Charge
Full road closure	£/day	2,500
Three way traffic lights (per week)	£/week	516
Four way traffic lights (per week)	£/week	576
Set out ¾ way lights	£/day	254
Lane rental	£/day	2,500 ¹⁰

All charges are exclusive of VAT

¹⁰ Please refer to the Surrey County Council website for more information. At the time of preparing this document, the lane rental scheme was still pending approval.



B.3. Self-lay development

Table 7.1: Our fixed charges for application and design of a new service connection

Who does the design?	Service connections	What the charge covers	Unit	Fee (£)
Applicable charges where an SLP requests SES to do the design	Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
	Design fee ^C	Undertake network study and site survey	1-20 connections	127
			>20 connections	147
Applicable charges where an SLP does the design	Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
	Design review ^{NC}	Review of third party design	Flat fee	36
C = Contestable NC = Non-contestable All charges are exclusive of VAT				

Table 7.2: Our fixed charges for the supply of water meter devices

Meter type	Unit	Fee (£)
15mm meter ^{NC}	£/meter	53
15mm external boundary screw in meter ^{NC}	£/meter	17
20/25mm meter ^{NC}	£/meter	65
40mm meter ^{NC}	£/meter	138
50mm external boundary meter ^{NC}	£/meter	75
C = Contestable NC = Non-contestable All charges are exclusive of VAT		

Table 7.3: Our fixed charges for application and design of a new water mains

Who does the design?	Service connections	What the charge covers	Unit	Fee (£)
Applicable charges where an SLP requests SES to do the design	Application fee ^{NC}	Issue and review application form, and issue quotation	per application	55
	Design fee ^C	Undertake network study and site survey	1-500 properties	341
			>500 properties	388
	Application fee ^{NC}		1-500 properties	55



Who does the design?	Service connections	What the charge covers	Unit	Fee (£)
Applicable charges where an SLP does the design		Issue and review application form, and issue quotation	>500 properties	55
	Off-site design and onsite design review ^{NC}	Design for off-site mains connection and design review produced by SLP	Flat fee	224

B.4. Infrastructure charge

Table 8.1: Our standard domestic property infrastructure charge

Infrastructure charge	Unit	Fee (£)
Infrastructure charge	£/connection	417

All charges are exclusive of VAT

B.5. Income offset

Table 9.1: Our income offset

Income offset	Unit	Fee (£)
Income offset	£/connection	-415

All charges are exclusive of VAT



Appendix C Definitions

Term	Description
Act	The Water Industry Act 1991 as amended from time to time.
Asset payment	The amount described in section 51CD (3) of the Water Industry Act 1991 in relation to a section 51A agreement with a Water Undertaker. This is a payment made to a developer who has selected a Self-Lay Provider to lay its mains and connections to properties. It is the water company's contribution to the mains construction costs.
Carriageway	Tarmac covered ground.
Charges Scheme Rules	The Charges Scheme Rules issued by the Water Services Regulation Authority under sections 143(6A) and 143B of the Water Industry Act 1991.
Charging Arrangements	This document which outlines the approach to charging for new connection services, including income offsets and the methodologies for calculating those, applied by us in accordance with the Charging Rules.
Charging Rules	Charging Rules for New Connection Services (English Undertakers) issued under sections 51CD, 105ZF and 144ZA of the Act.
Charging Year	A calendar year running from 1 April in a given year to 31 March in the following year.
Connection charge	A charge for the physical connection to the water main.
Contestable work	Work or services that can be completed by either the relevant undertaker or persons other than the relevant undertaker.
DAD	Discounted aggregate deficit approach. Historical approach used to calculate the Income Offset in previous Charging Years .
Developer	Any person or business which is responsible for a Development.
Development	Premises on which there are buildings, or on which there will be buildings when proposals made by any person for the erection of any buildings are carried out, and which require connection with, and/or modification of, existing water or sewerage infrastructure.
Diversions	The alteration or removal of a public water main or sewer in accordance with section 185 of the Act only.
Diversion charge	A charge for moving an existing water main.
Domestic premises	Any premises used wholly or partly as a dwelling or intended for such use.
Domestic purposes	As defined in The Water Industry Act 1991.
Existing main	Main that was in operation before development commenced.



Term	Description
Fixed Charges	Charges set for a given Charging Year which are fixed in amount or which are calculated by reference to a predetermined methodology set out in the undertaker's Charging Arrangements, the application of which allows calculation at the outset of the total amount owing in that Charging Year in respect of the charges in question. Such charges are to be fixed for a Charging Year, as defined above.
Flexible carriageway	A road with surface type covered by flexible tarmac.
Flexible footpath (Footway)	A footpath with a surface type covered by flexible tarmac.
Highway verge	A surface type that requires soft excavation, e.g., grass, topsoil.
House	Any building or part of a building that is occupied as a private dwelling house or which, if unoccupied, is likely to be so occupied and, accordingly, includes a flat.
Income offset	A discounted sum of money offset against the infrastructure charges that would otherwise be applied in recognition of revenue likely to be received by the Water Undertaker in future years for the provision of supplies of water to premises connected to the new water main.
Infrastructure Charge	The charges described in section 146(2) of the Water Industry Act 1991. That is, a charge paid by the developer to the water company when a property is connected to the company's water supply for the first time which contributes to wider network reinforcement to meet the increased demand arising from the new connections.
NAV	New appointment and variations provide water and/or sewerage services to customers in an area previously served by the incumbent monopoly provider. A new appointment is made when Ofwat appoints a company for the first time to provide services for specific geographic area. A variation is where an existing appointment is varied to extend the areas served.
Network reinforcement	Refers to work other than Site Specific Work, as defined below, to provide or modify such other: i. Water Mains and such tanks, service reservoirs and pumping stations, or ii. Sewers and such pumping stations as is necessary in consequence of the Site Specific installation or connection of Water Mains, Service Pipes, Public Sewers and Lateral Drains.
New appointee	Company holding an appointment as a relevant undertaker where the conditions of that appointment limit the charges that can be fixed under a charges scheme by reference to the charges fixed by one or more other relevant undertakers.
New Connection Services	The collective term for New Water Mains, New Sewers, Service Connections, Lateral Drains, Waste Connections and Diversions.



Term	Description
New Water Mains	A water main provided by us in accordance with our duties under section 41(1) of the Act.
Non-Contestable Work	Work or services that only the relevant undertaker (or an agent acting on their behalf) can do or provide..
Non-domestic purposes	For a service connection or new water main: a. the premises being connected to the water network do not consist in the whole or any part of a building; or b. the supply is for purposes other than domestic purposes.
On-site	Works carried out or proposed to be carried out within the site boundary.
Off-site	Works carried out or proposed to be carried out outside the site boundary.
Point of connection	The nearest practical location where the existing water main or sewer is the same size or larger than the new connecting main or sewer.
Pre-excavated	These charges apply where we do not undertake any excavation, backfilling or reinstatement, for example, where the trench has been pre-excavated by you to our standards.
Requisition Charge	Charges that will be imposed by that undertaker for work carried out by it in accordance with the duties imposed by section 41(1) (provision of requisitioned Water Main) and section 98(1) (provision of requisitioned public sewer) of the Water Industry Act 1991. That is, a charge set by the water company for the provision of the new water main or public sewer (a requisition) to recover the costs reasonably incurred in providing them.
Rigid carriageway	A road with surface type covered by concrete.
Self-Lay	The laying of water pipes and associated infrastructure in accordance with section 51a of the Act.
Self-lay provider (SLP)	An accredited operative who can lay the pipework for a new water main or sewer rather the infrastructure being laid by the water company. The water company will take over responsibility for self-laid pipes that meet the terms of its agreement.
Service Connection	The construction of the pipe between the supply pipe of the premises and the public water main which is provided under section 45 and 46 of the Act.
Service Pipe	So much of a pipe which is, or is to be, connected with a water main for supplying water from that main to any premises as — (a) is or is to be subject to water pressure from that main; or (b) would be so subject but for the closing of some valve, and includes part of any service pipe.



Term	Description
Site Specific	Work on, or the provision of, water or sewerage structures or facilities located on a development as well as work to provide and connect a requested water main, sewer, communication pipe or lateral drain on, to or in the immediate vicinity of, the development. Charges for site specific work relate to the provision of connection structures or facilities located on a development up to the nearest practical point on the existing network where the connecting pipework is of a nominal bore internal diameter no larger than that of our existing network. They do not refer to costs or work required as part of network reinforcement.
Undertaker	A water undertaker or sewerage undertaker.
Unmade ground	Refers to ground which does not have a surface. For example, unmade ground may feature hardcore.
Water main	Any pipe, not being a pipe for the time being vested in a person other than the Water Undertaker, which is used or to be used by a Water Undertaker or licensed water supplier for the purpose of making a general supply of water available to customers or potential customers of the Water Undertaker or water supply licensee, as distinct from for the purpose of providing a supply to particular customers. This definition includes tunnels or conduits which serve as a pipe and any accessories for the pipe.
Water Undertaker	A company appointed under the Water Industry Act 1991 to provide water services to a defined geographic area and which owns the supply system and other infrastructure.