

New Connection Charging Arrangements for Developers in England

2024/2025



Leep Networks (Water)
Ltd



leep utilities™

Contents

1. Introduction and Scope.....3

2. Options for Developers3

3. Diversion of Existing Assets.....4

4. Adoption of Assets & Income Offset4

5. Provision of Service Connections, Lateral Drains and Waste Connections5

6. Security / Deposit Arrangement6

7. Infrastructure Charges6

8. Charges for Copy Invoices.....7

9. Contact Us.....7

1. Introduction and Scope

- 1.1. These Charging Arrangements (the “Arrangements”) will apply to requests under sections 41, 45 & 98 of the Water Industry Act 1991 (as amended) for the provision of new services received from the owner or occupier of any premises whether directly or via an agent consultant Licensed Retailer or any third party authorised to act on behalf of the owner or occupier.
- 1.2. These Arrangements are made in accordance with the Charging Rules for New Connection Services (English Undertakers) published by Ofwat under sections 51CD, 105ZF and 144ZA of the Water Industry Act 1991. See <https://www.ofwat.gov.uk/wp-content/uploads/2023/02/Charging-Rules-for-New-Connection-Services-English-Undertakers-effective....pdf>. This document also incorporates the revision to Wholesale Charging Rules published by Ofwat on 16 March 2018 – see: <https://www.ofwat.gov.uk/wp-content/uploads/2018/03/Wholesale-charging-rules-issued-by-the-Water-Services-Regulation-Authority-under-sections-66E-and-117I-of-the-Water-Industry-Act-1991-1.pdf> and <https://www.ofwat.gov.uk/publication/wholesale-charging-rules-effective-april-2022-2/>
- 1.3. This document sets out our approach to calculating charges for certain types of activity. These Arrangements will apply from 1st April 2024 to 31st March 2025 and will cover:
 - 1.3.1. The provision of New Water Mains and Sewers;
 - 1.3.2. The provision of Service connections, Lateral Drains and Waste Connections;
 - 1.3.3. Adoption and Self-Lay Agreements;
 - 1.3.4. Diversions; and
 - 1.3.5. Infrastructure Charges.
- 1.4. VAT will be added to any charges where required by law.
- 1.5. These Arrangement do not cover any:
 - 1.5.1. request for a supply of water for non-domestic purposes to which section 55 of the Water Industry Act 1991 applies;
 - 1.5.2. application for a consent to discharge trade effluent from any trade premises under section 199 of the Water Industry Act 1991;
 - 1.5.3. request made by a water supply licensee for the connection of premises to a water undertaker’s supply system, or other steps in respect of that system, to which section 66A of the Water Industry Act 1991 applies;
 - 1.5.4. request made by a sewerage licensee for the connection of drains or sewers of premises to a sewerage undertaker’s sewerage system, or other steps in respect of that system, to which section 117A of the Water Industry Act 1991 applies;
 - 1.5.5. charges that may be imposed by a water undertaker under an agreement to provide one or more water undertakers with a supply of water in bulk;
 - 1.5.6. charges that may be imposed by a sewerage undertaker under an agreement to permit a mains connection into its sewerage system by one or more sewerage undertakers.

2. Options for Developers

- 2.1. A developer may choose to install or have installed by others certain elements of the services required to supply their site. These are known as “Contestable” works¹. Such options are briefly outlined below. If you wish to discuss these with Leep Networks (Water) Ltd (LNWL), please send contact details, site location and a brief outline of your query to us as set out in **Section 9**.

¹ Some elements of work remain non-contestable and must be carried out by the undertaker. Please contact LNWL if you require further information – see **Section 9**.

- 2.1.1. **Self-lay Providers (SLPs)** may be able to provide you with an effective solution to your requirements by installing the contestable elements of your new mains and services. SLPs will receive a service from us equivalent to any other applicant. LNWL will enter into an adoption agreement for the new assets, provided the SLP is an accredited entity and installs those assets to an acceptable standard. Suitable SLPs may be found at <https://www.lr.org/en/utilities/water-industry-registration-scheme-wirs-wirsae>. We will generally follow the latest edition of the Code of Practice for the Self-Laying of Water Mains and Services England Wales.
- 2.1.2. **NAV** (New Appointment & Variations) companies are licensed water and / or sewerage undertakers. A developer may engage a NAV company to adopt and operate the on-site network/s. The NAV will come to a commercial arrangement with the developer and will arrange for the incumbent water and / or sewerage supplier to be replaced by the NAV. The NAV will then become responsible for delivering water and / or sewerage services to end users. More information on the NAV process may be found at <https://www.ofwat.gov.uk/regulated-companies/markets/nav-market/>.
- 2.1.3. **Requisitioning** of new mains is a duty imposed on an undertaker under the Water Industry Act 1991 Section 41(1) for water and Section 98(1) for sewerage. A developer or authorised person within a water and / or sewerage undertaker's area may require that undertaker to lay, own and operate site-specific work. On request, the undertaker will provide a quotation to the authorised person requesting the works. Service connections are not covered by a requisition and require a separate application. If you wish to requisition new assets, please contact us as in **Section 9**.

3. Diversion of Existing Assets

- 3.1. Diversions are carried out under Section 185 of the Water Industry Act 1991.
- 3.2. Diversion of existing assets may be carried out by accredited parties, but some elements of the work will remain non-contestable. Some examples of non-contestable work may be trunk mains, connections into existing mains and decommissioning of the redundant asset.
- 3.3. Any charges we impose will reflect the reasonable costs incurred in complying with our duty to carry out the diversion, whether for the contestable or non-contestable works, but will exclude costs for providing additional capacity for the Company where that capacity is not connected with the additional demand from the development being supplied.

4. Adoption of Assets & Income Offset

4.1. Water Mains

- 4.1.1. Water Mains will be adopted when laid by an accredited entity if the mains have been constructed to an acceptable standard and are covered by a Self-Lay Agreement between the accredited entity and LNWL, as outlined in **2.1.1**.
- 4.1.2. In accordance with the New Connections Charging Rules, rules 38 & 39, an asset payment may not be made for assets laid under agreements made under Section 51A or Section 104 in the Water Industry Act 1991 (as amended).
- 4.1.3. To discuss your project and for further information, please see **Section 9**.

4.2. Sewers

- 4.2.1. The adoption of drains and sewers will be in accordance with Section 104 of the Water Industry Act 1991.
- 4.2.2. There will be fees and charges associated with the adoption including, but not limited to, inspection

fees, design approval fees and any third-party expenses incurred.

4.2.3. For further information and to discuss your project, please contact us as in **Section 9**.

4.3. For LNWL's policy on asset adoption, please contact us as per **Section 9**.

4.4. In accordance with guidance issued by Ofwat in July 2019 (<https://www.ofwat.gov.uk/publication/charging-rules-for-new-connection-services-english-undertakers-from-april-2020/>), from 1st April 2020, income offset and asset payments are no longer payable with respect to new requisitions for water and / or sewerage works and will instead be applied directly to all infrastructure charges due for new connections (<https://www.ofwat.gov.uk/wp-content/uploads/2019/07/Charging-rules-for-new-connections-and-new-developments-for-English-companies-from-April-2020-%E2%80%93-decision-document.pdf>). Income offset is not a statutory obligation and the Company is not currently offering such, nor is it offering environmental incentives.

5. Provision of Service Connections, Lateral Drains and Waste Connections

5.1. Water Service Connections

- 5.1.1. A water service connection covers connection to the distribution main, the communication pipe to your boundary, fitting of a meter and associated equipment and connection to your supply pipe.
- 5.1.2. LNWL must be notified in advance of any planned connections and no connection may be made until consent has been given. LNWL will reply to any such notification within **10** working days of receipt of all required information.
- 5.1.3. Service connections up to 63mm external diameter are Contestable, meaning that Self-Lay Providers may carry out the works, always provided that we reserve the right to refuse to permit such works subject to our assessment of the risk to our existing assets and / or customers.
- 5.1.4. Where an SLP carries out the works, we will require that you and your chosen SLP enter into a self-lay agreement. As part of that agreement, you will be required to ensure that the installation meets our specifications including, but not limited to, the type and arrangement of boundary boxes or internal meters and the manufacturer, type and size of the equipment installed.
- 5.1.5. For internal metering arrangements in-line meters will not be permitted. We will require the installation of a manifold permitting the installation of screw-in meters. Please contact us for further information.
- 5.1.6. All meters will be capable of remote reading, in accordance with a specification issued by LNWL.
- 5.1.7. Where we are requested to install the connection, we will charge our reasonable costs for the connection to the main, the additional pipe to your boundary, all equipment and associated site visits including, but not limited to, water regulation inspections.
- 5.1.8. For service pipes equal to or above 50mm internal diameter, we will require you to provide disinfection and biological sample certificates not more than two weeks old; this requirement will extend to any service tanks used to supply onward services.
- 5.1.9. We do not make asset payments for self-laid services.
- 5.1.10. If you require a quotation for a new service connection please use our on-line portal at <https://www.leeputilities.co.uk/operations-portal-access> or if you wish to discuss further options, please contact us as set out in **Section 9**.

5.2. Lateral Drains and Waste Connections

- 5.2.1. A lateral drain is the pipe outside the premises boundary that connects a single building or buildings

within the same boundary to the public sewer.

- 5.2.2. A waste connection from a lateral drain will be connected to the public sewer by virtue of a Section 106 agreement.
- 5.2.3. We will require you to engage a competent contractor to construct your lateral drain(s), including making the Section 106 connection.
- 5.2.4. LNWL does not presently offer a lateral drain or waste connection service.
- 5.2.5. To request a Section 106 connection or to discuss your proposals, please see our contact details in **Section 9**.

6. Security / Deposit Arrangement

- 6.1. We will generally require payment in advance for all works undertaken by LNWL.
- 6.2. We may agree to accept payment in arrears but, if so, we will require security in one of the following forms:
 - 6.2.1. A bank guarantee in our favour issued by a bank or building society registered and operating in the United Kingdom;
 - 6.2.2. A letter of credit issued by a bank or building society registered and operating in the United Kingdom;
 - 6.2.3. A bond or guarantee issued by a third party having an investment-grade credit rating;
 - 6.2.4. A cash deposit to a value agreed by LNWL.
- 6.3. Charges will cover design, procurement and installation of assets. There may also be charges or fees for inspections, approval of designs, reasonable administrative expenses and any applicable legal outgoings. Such charges will be set out in our quotation to you and agreed with you before commencement of works. There may also be charges associated with third-party works; these will be passed on to the applicant along with any applicable administration fees.
- 6.4. Fees for the adoption of sewers under a Section 104 agreement will equal 1% of the agreed value of the works.
- 6.5. For more information and to discuss your preferred approach, please contact us as shown in **Section 9**.

7. Infrastructure Charges

- 7.1. Unless the individual charges are specifically referred to separately in this section, the term “infrastructure charge” will cover the combined water infrastructure charge and sewerage infrastructure charge.
 - 7.1.1. Under Section 146(2) of the Water Industry Act 1991 infrastructure charges will be payable on properties comprising units capable of separate occupation on the first occasion they are connected to a water main or a public sewer for domestic purposes on or after 1 April 1990. This does not mean that infrastructure charges are only payable on houses. They are payable where services will be used for domestic purposes, that is drinking, washing, cooking, central heating, and sanitary purposes (as defined in the Water Industry Act 1991).
 - 7.1.2. Where water and sewerage is provided at premises for primarily other than domestic purposes, the charge may be assessed on the size of the meter; this is known as the Network Charge.

7.1.3. For the purposes of these charges every building or part of a building will be treated as a unit capable of separate occupation and liable to a separate infrastructure charge if:

8. In the case of a dwelling:

- it is used or will be used as a separate dwelling; or
- it includes separate facilities for sleeping, washing, cooking and a WC.

9. In any other case:

- it has its own connection to a water supply or sewerage service and is in fact capable of separate occupation.

7.1.4. Unless otherwise agreed, LNWL will normally provide an invoice for the due infrastructure charges at the same time as it presents an invoice for connection. Customers may well find it administratively more convenient and cheaper to pay the charges at the same time.

7.1.5. Network Charges, where applied, will always be payable in advance of the connection and the connection will not be provided until payment of the relevant charges has been received.

7.2. The infrastructure charge is payable by the person requesting the connection to LNWL's water mains and / or sewers. Where no application for a water supply or sewerage service is received or where LNWL is unable to recover the charges from the person who requested the connection, the charge will be payable by the person having the benefit of the new supply or service on the charge becoming payable.

7.3. Non-standard cases, such as offices, commercial premises and bulk-supplied apartments may be charged using the Relevant Multiplier method. This method requires an assessment of the internal water fittings to arrive at a factor by which to multiply the standard charge applicable to a single residential unit.

10.Charges for Copy Invoices

8.1 Copy invoices may be obtained from the Company and will be charged at £39.40 for the first 10 copies, with a minimum charge of £39.40. Subsequent copies will be charged on a pro-rated basis. The Company may waive charges for the first request for a single copy.

11.Contact Us

11.1. By email to: developer.services@leeputilities.co.uk

11.2. By post to: LNWL Limited
Level 2
Metro
33 Trafford Road
Manchester M5 3NN