



Utility Law Solutions

Developer Services  
Southern Water  
Sparrowgrove House  
Sparrowgrove  
Otterbourne  
Hampshire  
SO21 2SW

Es

Your Ref:

Our Ref:

CC/003573

Date:

04 October 2017

F.A.O: Mr. Day,

**Site: Land off Arundel Road, Angmering, Littlehampton, West Sussex, BN16 4ET.**

Dear Sirs,

We have completed the capacity check for the above development site and the results are as follows:-

**Foul capacity check:**

There is currently inadequate capacity within the foul sewerage network to accommodate a foul flow for the above development at manhole reference TQ08057101. The proposed development would increase flows to the public sewerage system, and existing properties and land may be subject to a greater risk of flooding as a result. Additional off-site sewers, or improvements to existing sewers, will be required to provide sufficient capacity to service the development.

The nearest point where capacity is currently available is at Clapham WTW which is located approximately 1.7 km East of the proposed development site.

Please note: This assessment does not confirm the capacity of the treatment capacity of wastewater treatment works.

Or

This results Include only the assessment of the capacity of sewers upstream of WWTW.

Section 98 of the Water Industry Act 1991 provides a legal mechanism through which the appropriate infrastructure can be requested (by the developer) and provided to drain a specific location. Alternatively, carry out off site reinforcement works in order to provide capacity for the proposed foul flow to be accommodated within the local sewerage system. The extent of the works required to provide capacity for the development site could be obtained via a level a Feasibility Study Application. (Application forms enclosed).

Unfortunately, it may be several years before adequate infrastructure is provided via a prioritised capital expenditure programme. Therefore, this proposed development would be considered premature until such time adequate sewerage infrastructure could be provided..

Southern Water will still accept **Fresh Water Level 2** capacity assessment applications.

It should be noted that this information is only an hydraulic assessment of the existing sewerage network and does not grant approval for a connection to the public sewerage system. A formal connection application is required to be completed and approved by Southern Water Services.

Should you require any further information, please contact us at the above mentioned phone number or address.

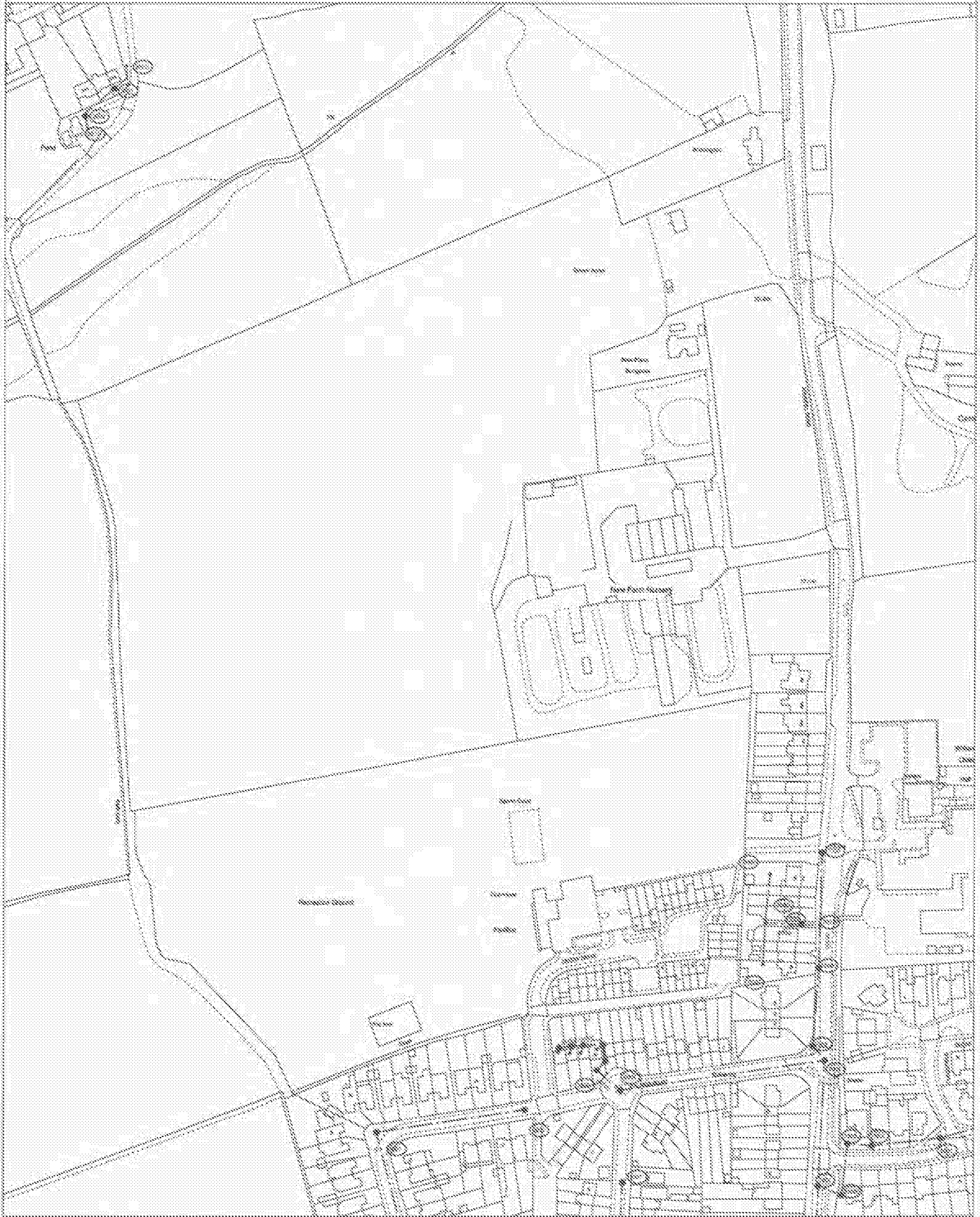
Yours faithfully

  
**David Akehurst**  
**Developer Services**

**Please note: -**

The information provided above does not grant approval for any designs/drawings submitted for the capacity analysis. The results quoted above are only valid for 12 months from the date of issue of this letter.

# SOUTHERN WATER



For information only. This map is not to be used for any other purpose without the written consent of Southern Water.

2017/18 Annual Plan for the period 1st April 2017 to 31st March 2018

OS N20 100000000

Source: Plan

Scale: 1:1250

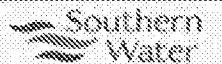


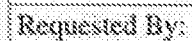
Prepared By: Nadia

Southern Water Map/Order Manager

Requested By:

Date: 14-9-2017

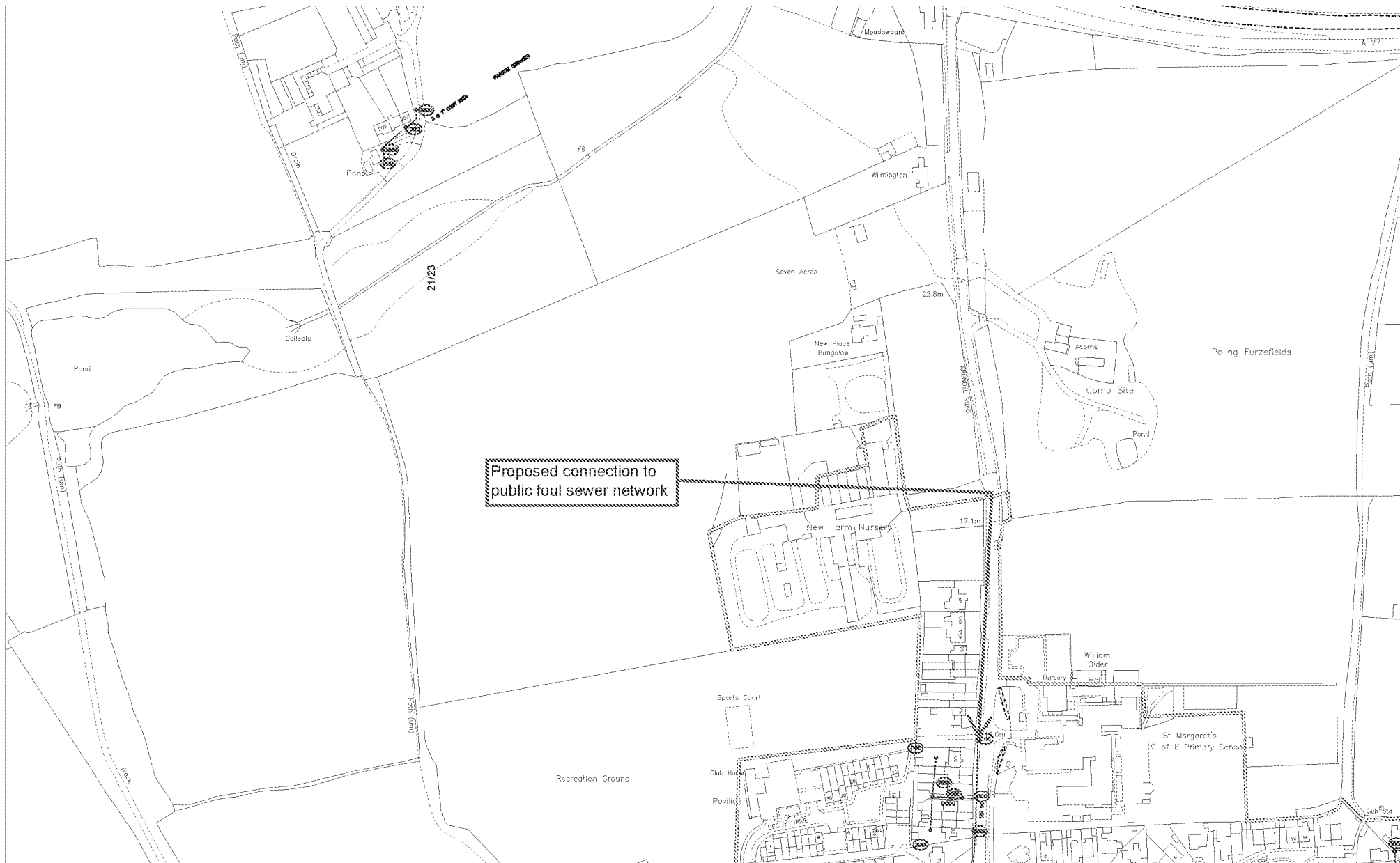




## Appendix 2

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# SEWER RECORDS



105049

506094

O.S. REF.

**TQ0605SE**

Title: Land West Of Arundel Road

Drawn by: malikra

Scale: 1:2500

Date: 06/09/2017

The positions of pipes shown on this plan are believed to be correct, but Southern Water Services Ltd accept no responsibility in the event of inaccuracy.

The actual positions should be determined on site.

WARNING: SAG lanes are a combination of SAG and SAG lanes. WARNING: SAG lanes are a combination of SAG and SAG lanes. WARNING: SAG lanes are a combination of SAG and SAG lanes.

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## Appendix 3

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## Appendix 4

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## **Water Industry Legislation**

### **Summary**

The Water Industry Act 1991 (WIA1991) provides a full legislative framework, incorporating provisions that ensure new developments can be effectually drained with onsite sewers being connected to the public sewerage network and subsequently adopted. The WIA1991 also contains safeguards to ensure that foul water flows resulting from new development do not cause detriment to the existing public sewerage network. A duty is imposed on sewerage undertakers by the WIA1991 to improve/upgrade public sewer networks to ensure the needs of new development can be met. Where it is perceived that new flows may cause detriment to public sewer networks, in addition to its duty to improve/upgrade, a sewerage undertaker also has the ability to compel a developer to connect at a point of adequacy on its system or otherwise alter the proposed drainage arrangements.

It should also be noted that the WIA1991 provides for the water industry regulator to arbitrate on disputes between developers and sewerage undertakers on sewer connections and the provision of sewerage infrastructure in the event that such a dispute cannot be resolved between the parties. Involving the planning system in such matters is both unnecessary and has the potential to cause conflicts between the two legislative regimes.

The relevant sections of the WIA1991 which confirm the above statements are set out in full below but for convenience can be summarised as follows:

### **Section 104 – Sewer Adoption Agreements**

Section 104 of the WIA1991 provides for developers to enter into a section 104 sewer adoption agreement in conjunction with exercising rights to connect to the public sewerage network under section 106(1) WIA1991.

### **Section 106 – Right to Communicate with Public Sewers.**

Developers enjoy a statutory right to connect new sewers to existing public sewers under section 106 (1) of the WIA1991 and sewerage undertakers do not have the ability to refuse a connection on the grounds of capacity in the local sewerage network and/or sewage treatment works.

Section 107 entitles the sewerage undertaker to give notice within 14 days of receipt of a notice under section 106(3) that it intends to make the communication itself. In that event the developer has to pay the reasonable cost of the work.

The Supreme Court in its judgment against a sewerage undertaker upheld this long-standing absolute right of connection to available public sewers (Barratt Homes Limited (Respondents) v Dwr Cymru Cyfyngedig (Welsh Water) (Appellants) – paragraphs 23-26, 41, 55).

The following extract from the judgment highlights some of the issues that were considered (with the key parts underlined):

*41. The real problem that is demonstrated by the facts of this case arises out of the “absolute right” conferred by section 106 of the 1991 Act on the owner or occupier of premises to connect those premises to a public sewer without any requirement to give more than 21 days notice. While this might create no problem in the case of an individual dwelling house, it is manifestly unsatisfactory in relation to a development that may, as in the present case, add 25% or more to the load on the public sewer. The public sewer may well not have surplus capacity capable of accommodating the increased load without the risk of flooding unless the undertaker has received sufficient advance notice of the increase and has been able to take the necessary measures to increase its capacity.*

*57. As OFWAT has pointed out, although the 1991 Act affords no such right, there is a case for deferring the right to connect to a public sewer in order to give a sewerage undertaker a reasonable opportunity to make sure that the public sewer will be able to accommodate the increased loading that the connection will bring. The only way of achieving such a deferral would appear to be through the planning process. Some difficult issues of principle arise however:*

*□ Is it reasonable to expect the sewerage undertaker to upgrade a public sewerage system to accommodate linkage with a proposed development regardless of the expenditure that this will involve?*

*□ How long is it reasonable to allow a sewerage undertaker to upgrade the public sewerage system?*

*□ Is it reasonable to allow the sewerage undertaker to delay planned upgrading of a public sewer in the hope or expectation that this will put pressure on the developer himself to fund the upgrading?*

A 21 day notice is only exercisable when the sewer that is required to connect flows from a new development has actually been constructed (as confirmed by Ofwat in a formal Determination). The development timescales set out in Section C above demonstrate that in reality sewerage undertakers always have significant periods of notice before new flows need to be accommodated in the public system.

## **Section 94 – A Sewerage Undertaker’s General Duty to Provide a Sewerage and Sewage Disposal System**

Under section 94 (1) of the WIA1991, sewerage undertakers have a duty to provide, improve, extend and make provision for the emptying of their sewerage systems by effectually dealing, by means of sewage disposal works or otherwise, with the contents of those sewers that comprise the public sewerage system. The provisions of this section relate not only to long term capital works to improve the sewerage

system generally, but also place a duty on the sewerage undertaker to react to changes in the level of discharges into its networks.

Section 94(1) places a duty on sewerage undertakers to plan and implement any works necessary to ensure their network of sewers (and sewage treatment facilities) continues to operate satisfactorily once they have received notification that a developer intends to exercise the right to connect under section 106(1). In reality, a sewerage undertaker has sufficient certainty (and time as a result of the advance notice they receive) that a development will be proceeding on the grant of planning permission (outline or full) and should consider any necessary actions to comply with its section 94 duty at that stage. Conversely, until a sewerage undertaker has certainty that sufficient development will take place in a particular area, it is unlikely that any investment in sewerage or sewage treatment will be allocated. It is therefore illogical to refuse to grant planning permission for developments on the grounds that no improvement works are planned for a particular area.

### **Section 112 – An Alternative to Works under the Section 94 Duty**

Whilst all developers and landowners have an absolute right to connect to the public sewer nearest to their premises, in some circumstances it may be the case that the sewerage undertaker requires drainage systems to be constructed in a manner which better protects the existing public sewerage and/or sewage treatment systems. It may for example be beneficial for a sewerage undertaker to require that a developer connects at an alternative location which constitutes a point of adequacy or provide onsite attenuation to ensure that new flows are only discharged at a specific rate or during certain times until any deficiencies in its systems have been resolved. Given the rights and duties under section 106 and 94 of the WIA1991, it would not however be appropriate to expect a developer to pay for any additional works. Section 112 of the WIA1991 provides a mechanism for sewerage undertakers to compel a developer to carry out alternative works (s112 (1)), but with the difference of cost being met by the sewerage undertaker (s112 (6)).

Clearly if compelling alternative works would be more cost effective for a sewerage undertaker than implementing sewer or sewage treatment improvement works under its section 94 duty or would allow extra time to carry out such works, this option is both viable and useful to ensure that a development can be effectually drained.

## **Section 104 - Agreements to adopt sewer, drain or sewage disposal works, at future date**

(1) Subject to subsection (7) and section 146(3) below, a sewerage undertaker may agree with—

(a) any person constructing or proposing to construct -

- (i) any sewer;
- (ii) any drain which is intended to communicate with a public sewer vested in that undertaker; or
- (iii) any sewage disposal works; or

(b) any person at whose expense the undertaker is, by virtue of an agreement under section 160 below, to carry out work in connection with the construction of such a drain or sewer,

that, if the sewer, drain or sewage disposal works is or are constructed in accordance with the terms of the agreement, the undertaker will, upon completion of the work, at some specified date or on the happening of some future event, declare the sewer or such part of the drain as constitutes the lateral drain or the works (as the case may be) to be vested in that undertaker.

(2) A person mentioned in paragraph (a) or (b) of subsection (1) above may make an application to a sewerage undertaker requesting the undertaker to make an agreement under this section.

## **Section 106 – Right to Communicate with Public Sewers**

(1) Subject to the provisions of this section -

- (a) the owner or occupier of any premises, or
- (b) the owner of any private sewer which drains premises,

shall be entitled to have his drains or sewer communicate with the public sewer of any sewerage undertaker and thereby to discharge foul water and surface water from those premises or that private sewer.

(1A) In this section, and in sections 107 to 109, 111, 113 to 116, 118, 119, 124, 127, 139 and 146 below -

- (a) references (however expressed) to a public sewer include a public lateral drain which satisfies sewer standards; and
- (b) for the purposes of paragraph (a) above

- (i) a “public lateral drain” is a lateral drain which either belongs to the sewerage undertaker or is vested in the sewerage undertaker by virtue of a declaration made under section 102 above or under an agreement made under section 104 above; and
  - (ii) “sewer standards” means such standards of construction and repair as the undertaker would require if the public lateral drain or part of it were to become a public sewer.

(2) Subject to the provisions of Chapter III of this Part, nothing in subsection (1) above shall entitle any person -

- (a) to discharge directly or indirectly into any public sewer -

- (i) any liquid from a factory, other than domestic sewage or surface or storm water, or any liquid from a manufacturing process; or
  - (ii) any liquid or other matter the discharge of which into public sewers is prohibited by or under any enactment; or

- (b) where separate public sewers are provided for foul water and for surface water, to discharge directly or indirectly -

- (i) foul water into a sewer provided for surface water; or
  - (ii) except with the approval of the undertaker, surface water into a sewer provided for foul water; or

- (c) to have his drains or sewer made to communicate directly with a storm-water overflow sewer.

(3) A person desirous of availing himself of his entitlement under this section shall give notice of his proposals to the sewerage undertaker in question.

(4) At any time within twenty-one days after a sewerage undertaker receives a notice under subsection (3) above, the undertaker may by notice to the person who gave the notice refuse to permit the communication to be made, if it appears to the undertaker that the mode of construction or condition of the drain or sewer –

- (a) does not satisfy the standards reasonably required by the undertaker; or
- (b) is such that the making of the communication would be prejudicial to the undertaker's sewerage system.

(5) For the purpose of examining the mode of construction and condition of a drain or sewer to which a notice under subsection (3) above relates a sewerage undertaker may, if necessary, require it to be laid open for inspection.

(5A) Where the sewer or drain satisfies the standards reasonably required by it, a sewerage undertaker may, as a condition of permitting the communication to be made, require that the sewer or that part of the drain forming the lateral drain be vested in it by virtue of a declaration under section 102 above.

(6) Any question arising under subsections (3) to (5A) above between a sewerage undertaker and a person proposing to make a communication as to -

- (a) the reasonableness of the undertaker's refusal to permit a communication to be made; or
- (b) as to the reasonableness of any requirement under subsection (5) [or (5A) above, may, on the application of that person, be determined by the Authority under section 30A above (and, accordingly, section 105 above shall not apply to any requirement under subsection (5A) above).

(7) . . . . .

(8) Where a person proposes under this section to make a communication between a drain or sewer and such a public sewer in Greater London as is used for the general reception of sewage from other public sewers and is not substantially used for the reception of sewage from private sewers and drains -

- (a) the grounds on which a sewerage undertaker may refuse to permit the communication shall be such grounds as the undertaker thinks fit; and
- (b) no application to the Authority may be made under subsection (6) above in respect of any refusal under this subsection.

(9) In this section "factory" has the same meaning as in the Factories Act 1961.

## **Section 94 - General Duty to Provide Sewerage System**

(1) It shall be the duty of every sewerage undertaker -

- (a) to provide, improve and extend such a system of public sewers (whether inside its area or elsewhere) and so to cleanse and maintain those sewers and any lateral drains which belong to or vest in the undertaker as to ensure that that area is and continues to be effectually drained; and
- (b) to make provision for the emptying of those sewers and such further provision (whether inside its area or elsewhere) as is necessary from time to time for effectually dealing, by means of sewage disposal works or otherwise, with the contents of those sewers.

(2) It shall be the duty of a sewerage undertaker in performing its duty under subsection (1) above to have regard -

- (a) to its existing and likely future obligations to allow for the discharge of trade effluent into its public sewers; and
- (b) to the need to provide for the disposal of trade effluent which is so discharged.

(3) The duty of a sewerage undertaker under subsection (1) above shall be enforceable under section 18 above -

- (a) by the Secretary of State; or
- (b) with the consent of or in accordance with a general authorisation given by the Secretary of State, by the Authority.

(4) The obligations imposed on a sewerage undertaker by the following Chapters of this Part, and the remedies available in respect of contraventions of those obligations, shall be in addition to any duty imposed or remedy available by virtue of any provision of this section or section 95 below and shall not be in any way qualified by any such provision.

(5) In this section "trade effluent" has the same meaning as in Chapter III of this Part; and, accordingly, section 139 below shall have effect for the purposes of this section as it has effect for the purposes of Chapter 3 of this Part.

## **Section 112 – Requirement that Proposed Drain or Sewer be Constructed so as to Form Part of General System.**

(1) Where -

(a) a person proposes to construct a drain or sewer; and  
(b) a sewerage undertaker considers that the proposed drain or sewer is, or is likely to be, needed to form part of a general sewerage system which that undertaker provides or proposes to provide, the undertaker may require that person to construct the drain or sewer in a manner differing, as regards material or size of pipes, depth, fall, direction or outfall or otherwise, from the manner in which that person proposes, or could otherwise be required by the undertaker, to construct it.

(2) If any person on whom requirements are imposed under this section by a sewerage undertaker is aggrieved by the requirements, he may within twenty-eight days appeal to the Authority.

(3) On an appeal under subsection (2) above with respect to any requirements, the Authority may either disallow the requirements or allow them with or without modification.

(4) It shall be the duty of a person on whom requirements are imposed by a sewerage undertaker under this section to comply with those requirements.

(5) The duty of any person by virtue of subsection (4) above to comply with the requirements of a sewerage undertaker shall be owed to the undertaker; and any breach of that duty which causes the undertaker to sustain loss or damage shall be actionable at the suit of the undertaker.

(6) A sewerage undertaker which exercises the powers conferred on it by this section shall -

(a) repay to the person constructing the drain or sewer the extra expenses reasonably incurred by that person in complying with the undertaker's requirements; and  
(b) until the drain or sewer becomes a public sewer, from time to time repay to that person so much of any expenses reasonably incurred by him in repairing or maintaining the drain or sewer as may be attributable to the undertaker's requirements having been imposed and complied with.

(7) Nothing in this section shall apply in relation to so much of any drain or sewer as is proposed to be constructed by any railway undertakers or dock undertakers in or on land which -

(a) belongs to them; and  
(b) is held or used by them for the purposes of their undertaking.

## Appendix 5

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## **Water Industry Legislation and the Planning Regime – ULS Analysis**

### **The Planning Tests**

The following statements are pertinent and should be applied by planning authorities when considering proposed development in conjunction with the six tests set out in the National Planning Policy Framework (NPPF) and expanded on in the Planning Practice Guidance (PPG):-

1. The actual impact on the environment of foul and wastewater drainage from a proposed development must always be evaluated with due regard to statutory provisions set out in the Water Industry Act 1991 and the duties of sewerage undertakers contained therein.
2. In considering any foul and wastewater drainage matters, the planning authority must take into consideration the fact that the developer has an absolute right to connect to the public sewerage system under section 106 of the Water Industry Act 1991 (the WIA1991), whether or not this would give rise to adverse effects e.g. increased flooding or environmental harm due to a restricted capacity in the sewerage and sewage treatment system.
3. Planning authorities must also consider the following matters:
  - a) Section 94 of the WIA1991 imposes a continuing duty on all sewerage undertakers to provide, maintain and where necessary improve its systems for collecting and treating foul and wastewater drainage so as to effectually drain its area and effectually deal with the contents of its sewers;
  - b) a sewerage undertaker is provided with the means of funding the cost of fulfilling the above duty within the WIA1991 through sewerage charges and infrastructure charges; and
  - c) the WIA1991 and the charging arrangements included at Appendix 6 clearly sets out that the costs of meeting the above duty are required to be borne by the sewerage undertaker, not the developer.
4. ULS does not believe that planning conditions relating to foul drainage are necessary for new residential development. In order for any such condition to be justified in terms of the guidance in the NPPF and PPG, the condition would also have to be shown to be necessary and reasonable. In theory a negative “Grampian” style condition could as a matter of law be imposed to restrain the occupation of development until satisfactory arrangements are made to deal with the sewage and wastewater generated. However, in practice it is clear that such a condition would fail when set against the tests in para. 206 of the NPPF and explained in the PPG on the basis that there is normally sufficient time for

the sewerage undertaker to fulfil its statutory duties as set out below or there is manifestly negligible impact on the sewerage and sewage treatment system.

5. When considered properly in the light of the structure and intentions of the WIA1991, current deficiencies in sewerage and sewage treatment provision would not in themselves justify refusal of permission or a Grampian condition. A planning authority must take into account the reasonable timescale when foul water flows from a development would start to discharge into the public sewerage and sewage treatment system, the undertaker's duties and whether such deficiencies would reasonably be expected to be addressed by the time the development imposes an additional burden on the system.
6. A condition which has the effect of compelling the developer to undertake attenuation works on site or elsewhere to alleviate the impact of foul water flows from the development on the sewerage and sewage treatment system would also be unreasonable. This is because section 112 of the WIA1991 provides a means for the sewerage undertaker to require such works as part of the private sewerage system serving the development, but on condition that the additional cost is borne by the undertaker, not the developer.
7. Finally, it is important to consider the differences between the provision of sewerage and sewage treatment and other infrastructure such as roads, schools, GP surgeries etc. It is clear that a development may need to be phased to ensure that such infrastructure is available with the necessary contributions made by developers to the cost of its provision. This is not the case with sewerage and sewage treatment provision as there is a statutory duty and statutory mechanism for financing it. Conversely no person has a statutory duty to provide roads, schools, GP surgeries etc. to serve developments and there is no means of covering its cost by charging users.

Given this analysis, planning authorities should not be refusing planning permission or imposing foul drainage conditions on developers as a matter of course, without addressing the above.

It is possible to interpret some passages in the PPG as if they were suggesting that foul drainage conditions should be imposed routinely. This is misleading as conditions relating to sewerage and sewage treatment must be considered and justified against the tests in para. 206 of the NPPF and explained in the PPG. In particular, given the provisions laid down by Parliament in the WIA1991, careful consideration will be required as to whether such a condition is necessary and whether it is reasonable. Having regard to the nature of the plan-led system and the time-scales involved in implementing a permission for residential development, it is entirely reasonable to expect a sewerage undertaker to make provision for the necessary sewerage and sewage treatment infrastructure so as to avoid the adverse

effects that may or may not be caused by new development and to fund this through the normal means of charges.

The necessity or otherwise of foul drainage planning conditions has been tested in planning appeals in which ULS has been involved. Decisions from five of these cases are outlined below:

### **Appeal Decision APP/F1610/A/14/2228762**

The Planning Inspector made the following comment at paragraph 56:-

*The foul sewage and the water supply systems involve infrastructure elements that are inadequate. The consultation response from Thames Water suggests that conditions should be imposed to require an assessment of the additional capacity that might be required and to indicate suitable connection points. However, there is a statutory duty to provide such connections under the requirements of the Water Industry Act 1991. Hence, there would be no need for planning conditions to duplicate powers available under other legislation, as the submitted notes confirm.*

### **Appeal Decision APP/F2605/W/15/3137812**

The Planning Inspector included the following comments at paragraphs 26 and 31:-

*26. Many thought that the infrastructure in Watton would be unable to cope. Anglian Water has a duty to deal with foul sewage, through improvements to the system if necessary; the broad principle is that the situation should be no worse than before the development was constructed, not that development should resolve any existing problems.*

*31. A condition on foul sewerage (18) is unnecessary because it is the subject of other legislation.*

### **Appeal Decision APP/D3125/W/15/3136376)**

The Planning Inspector made the following comments at paragraphs 72 and 99:-

*72. Turning to sewerage, it is not disputed that at present there is insufficient capacity in the existing foul network to take the predicted flows from the proposed development. However, Thames Water's Developer Services commissioned report<sup>11</sup> concludes that there is an indicative option available to address this lack of capacity. My attention was drawn to email correspondence from what appeared to be a different department of Thames Water<sup>12</sup>,*

<sup>11</sup> Sewer Impact Study X4503 -1010 SMG 1876 Proposed Connection at New Yatt Road North Leigh Foul System January 2016

<sup>12</sup> See Inquiry Document 22

*99. On the basis of evidence presented to me, I am not persuaded that conditions relating to fire hydrant provision and foul water drainage are necessary, given the requirements of legislative provisions outwith the land use planning regime.*

### **Appeal Decision APP/ APP/D3125/W/15/3005737**

The Secretary of State and Planning Inspector made the following comments at paragraphs 20 and 231:-

*20. The Secretary of State has given consideration to the Inspector's analysis at IR214-231, the recommended conditions set out at the end of the IR and the reasons for them, and to national policy in paragraph 206 of the Framework and the relevant Guidance. He is satisfied that the conditions recommended by the Inspector and set out at Annex A to this letter, including the limitation to 260 dwellings, comply with the policy test set out at paragraph 206 of the Framework.*

*231. The Council did suggest a condition relating to the submission of a drainage strategy for on and off-site works. A condition relating to surface water drainage has already been proffered for imposition. The matter at issues here is foul water drainage. This would be dealt with directly with Thames Water under other legislation outside of the planning remit. It does not seem necessary or reasonable to require the appellant company to seek approval for a scheme of foul water connection essentially from the same regulatory body twice.*

### **Appeal Decision APP/Y2810/A/14/2228921**

The Planning Inspector received an analysis from ULS based on the same principles detailed in this report and also representations from a sewerage undertaker requesting that a foul drainage planning condition was imposed. The Inspector stated that a condition relating to the completion of off-site public sewer improvement works would be unreasonable as it would be at least 2 years before any houses would be occupied and discharging foul water flows to the public sewerage network. The Inspector determined that these timescales gave the sewerage undertaker adequate time to implement any necessary improvement measures to the public sewerage network pursuant to the statutory framework that applies to the water and sewerage industry. The Inspector's full comments are set out below.

77. Anglian Water sought a condition requiring on- and off-site mains foul sewage infrastructure works prior to occupation. This would prevent any new connection overloading the sewer. However, the appellant has argued that this would be unreasonable, citing case law that: *a sewerage undertaker has no right to ... refuse a developer the right to connect with a public sewer ...*<sup>8</sup>. I acknowledge that if only 21 days' notice was given (being all that is required under the Water Industries Act 1991) then there would be the potential for a serious problem. However, as Anglian Water replied to statutory consultation in July 2014, and as it is likely to be at least 2 more years before any houses would be occupied, it would have adequate time to take the necessary measures. The proposed condition would therefore be unreasonable.

<sup>8</sup> *Barratt Homes Limited v Dwr Cymru* [2010] Env. L. R. 14, 253, paragraph 59

Although this appeal decision has now been quashed, it was not on a matter relating to the foul drainage condition.

These decisions are clearly a material consideration in a planning authority's determination of planning applications, due to the potential requirement for the Sewerage Undertaker to provide additional sewerage and/or sewage treatment capacity to accommodate foul water flows from developments. Case law has set a precedent relating to the consistency of decision making by planning authorities or inspectors, confirming that whilst a decision maker can depart from a previous decision which considered the same or similar facts, they must fully justify the reasons for doing so. (*Fox Vs SoS* [2012] EWCA Civ 1198).

Adopting the tests at NPPF para. 206 and following the approach taken these appeals, conditions relating to foul drainage would be unnecessary and/or unreasonable. A sewerage undertaker (and occasionally the Environment Agency) will often suggest that detriment may be caused to the public sewerage system by the foul water flows from a development unless a condition is imposed. It is understandable that this would be of concern to a planning authority and this is no doubt the reason that planning authorities have tended to routinely apply planning conditions put forward by sewerage undertakers. However, in reality, the "risk" is not created by the development itself and would only occur if a sewerage undertaker failed to undertake its statutory obligations as detailed in this report to fund and carry out improvements to the sewer and/or sewage treatment systems if any are required, in a timely manner. The fact that a sewerage undertaker requests development to be delayed until it is prepared to make the necessary investment (for which it is already funded), means that a private company is in effect seeking to dictate when homes which are required to meet housing need, can be delivered. This is not a practice that should be perpetuated within the planning system.

The imposition of unnecessary/unreasonable foul drainage conditions on planning permissions requiring prior approval of drainage schemes or hydraulic modelling, can add considerable expense and delay to the implementation of permissions and the delivery of new homes.

### **The Sewerage Undertaker's Duties**

Sewerage (the piped network) or waste water treatment capacity for a development should be provided by the incumbent sewerage undertaker on the basis that reasonable notice of a proposed development has been provided by a developer or landowner. Indeed, a sewerage undertaker has a statutory duty to do so. Where the impact on the sewerage system is negligible no additional capacity will be required and no action by the sewerage undertaker would be necessary. As such, foul drainage does not generally represent a constraint in planning terms to development. There is a separate statutory regime in place which adequately addresses foul drainage matters. Should a development be granted outline planning permission, the Sewerage Undertaker has sufficient time and has the knowledge and expertise to fully assess the potential impact on its sewerage network and implement any necessary improvement works that may be required to accommodate new foul water flows.

If following evaluation the Sewerage Undertaker considers that improvement works are required to its sewerage network or sewage treatment works, it is funded to ensure that such improvements are made in order to comply with its statutory duty to "provide, improve and extend" its network. It would therefore be unreasonable to delay the start or progress of a development once planning permission has been granted.

With regard to sewage treatment, each Waste Water Treatment Works (WWTW) in a sewerage undertakers operating area has a consent to discharge treated effluent to a body of water (typically a watercourse/river). Such consents are issued by the Environment Agency (EA) and incorporate a number of parameters in relation to both biological load (quality of effluent discharge) and dry weather flow (quantity of discharge). A WWTW is required by the EA to operate within these consent parameters.

The quality and quantity of effluent discharged from a WWTW is measured by the sewerage undertaker responsible against its consent parameters, typically on a monthly basis giving 12 reports per year to the EA confirming whether or not the WWTW is operating within its consent. Clearly as a particular works approaches the limits of its consent parameters, a sewerage undertaker must give regard to the likely level of growth in the catchment area of the WWTW and look at what investment may be required, either by installing new plant or altering the operation of existing plant, to ensure any new flows can be accommodated without exceeding the limits

imposed by the EA. Any sewerage undertaker which does not take such action for works approaching capacity is failing in its statutory duty under section 94 as outlined above. How the quality and quantity of discharge from a WWTW is measured varies from specific monitoring devices within a works to estimates based on the size of the population for the contributing catchment area.

Should a particular WWTW fail to meet its consent parameters on two or more occasions within a twelve month period, discussions will be held between the EA and the sewerage undertaker as to what improvements can be made to bring discharges back within the set limits. During such discussions, the consent parameters may be tightened or amended to suit the facts of the case and to ensure water quality in the receiving body is protected. In reality, because of the gradual nature of growth in any particular area, even where a works is deemed to have failed against its consent parameters, this is only likely to be by a very small amount and provided appropriate action is taken by the sewerage undertaker, an agreement can be made with the EA as to how the WWTW can be managed to ensure it operates within its consent (whether or not this is amended).

Where a WWTW is close to or has failed to meet its consent parameters, it is often possible to implement temporary measures (in operational procedures or provision of additional storage/treatment apparatus) to mitigate against the immediate small exceedance in quality or quantity while funding is allocated and feasibility studies carried out to allow a long-term solution to be implemented to ensure that future additional growth can be catered for.

It is a matter for any sewerage undertaker to manage its consents with the EA and ensure that its WWTW's stay within their consent parameters. This is an ongoing process and it is unreasonable to suggest that a specific development, particularly one which is modestly sized in comparison to overall catchment population, will have a significant and unmanageable influence on a WWTW and its ability to operate within limits set by the EA. This is not a matter which can be influenced by a developer and as such to prevent or delay a development from proceeding because a sewerage undertaker may be forced to take action and fund improvement works to comply with its statutory duties is unreasonable.

## **Summary**

Unless sewerage undertakers have certainty that sufficient development will take place in a particular area, it is unlikely that any investment in sewerage or sewage treatment will be allocated. In the event that the Sewerage Undertaker considers that it has hydraulic or capacity issues with its sewerage and sewage treatment systems for this and other development in the area, it would be unreasonable and illogical to refuse planning permission on the grounds that no sewerage or sewage treatment improvement works are planned for the network to which this development will

discharge foul water flows. Only granting planning permission for developments without foul drainage planning conditions will ensure that the Sewerage Undertaker fully considers the current drainage network and systems in line with its statutory duties. This will provide a benefit not only to new development, but also potentially the existing settlement.

Because of the rights and duties outlined above, where a sewerage undertaker perceives there to be a potential inadequacy in its sewerage or sewage treatment systems to accommodate new foul water flows, it will often make representations to planning authorities recommending that planning conditions relating to foul drainage are imposed.

The point of principle is that as a matter of law, the WIA1991 expressly places a duty on sewerage undertakers to provide, improve, extend and maintain a system of sewers and sewage treatment facilities so as to ensure that their area is and continues to be effectually drained. Sewerage undertakers are fully funded to carry out any necessary improvement works through the statutory based charges they levy. The WIA1991 then gives domestic owners and occupiers an absolute right to connect into the public system (subject only to their private drains being of proper construction and condition). To apply planning policy so as to relieve the undertakers of that duty and negate the rights of owners and occupiers conflicts with primary legislation which already protects both new developments and existing property owners. This is unreasonable where matters relating to foul drainage can be suitably addressed through the appropriate statutory regime which governs the water and sewerage industry.

In our experience, planning authorities often impose a planning condition in relation to foul drainage on the advice of sewerage undertakers without proper consideration of not only how this impacts on effective and economic development, but also whether it conflicts with statutory rights and duties imposed by water and sewerage industry primary legislation.

When considering the drainage related aspects of a planning application, the correct approach in law should be as follows:

- ⊗ To have regard to the absolute right to connect to the public sewerage system, while taking into account the general duty that section 94 of the WIA1991 imposes on sewerage undertakers.
- ⊗ To consider whether there is any impact on the environment that would justify refusing permission and if so whether this could be mitigated by a planning condition.
- ⊗ To determine whether any planning condition would meet the policy tests detailed in the NPPF and PPG.

It is clear that any planning condition relating to foul drainage is unnecessary and unreasonable as it would duplicate matters which are already satisfactorily dealt with under a separate statutory regime. Unless there is clear evidence that to fail to impose a condition would have a detrimental effect which cannot be avoided through appropriate action by a sewerage undertaker in a reasonable timeframe, connections to the local public sewerage system should be dealt with via the legislative framework contained in the WIA1991 rather than planning legislation. Imposing a condition without proof that detriment would be caused which cannot be mitigated against through action by the sewerage undertaker in pursuance of its statutory duties is unreasonable and would fail some or all of the 6 tests in the NPPF. The corresponding advice in the PPG explains in more detail these six tests. The detail included in paragraph 206 of the NPPF and explained in the PPG verifies that most foul drainage planning conditions fail the following tests:

- ⊗ Necessity – There is no definite planning reason for such drainage conditions to make for acceptability in planning terms. All relevant matters are suitably addressed by water and sewerage industry legislation.
- ⊗ Relevance to planning – Again all foul drainage matters are already addressed by separate primary legislation
- ⊗ Enforceability – The upgrade of a sewerage undertaker's sewerage network or sewage treatment works is a matter over which the applicant has no control.
- ⊗ Reasonability – A foul drainage condition could place an unjustifiable and disproportionate burden on the applicant, by delaying the development due to a lack of action by a sewerage undertaker (by failing to comply with its statutory duties).

Conditions relating to sewerage and sewage treatment must be considered and justified against the tests set out in the NPPF and the PPG. In particular, given the rights and duties in the Water Industry Act 1991, careful consideration is required as to the time-scales involved in implementing a permission for residential development. It is reasonable to expect the sewerage undertaker to make provision for the necessary infrastructure so as to avoid adverse effects, and to fund this through the normal means of charges. A foul drainage condition for developments would therefore fail the test of reasonableness laid out in the NPPF, given the timescales for the ultimate discharge of foul water flows from the development to the public sewerage and sewage treatment system.

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## Appendix 6

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# **New Connections Services Charging Arrangements 2018-19**

January 2018

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# Charging arrangements for new connection services

## Introduction to our charges

This document sets out our charges for new connection services that apply from 1 April 2018 to 31 March 2019.

Connections services cover the work that is needed to connect new homes to the existing water and wastewater network.

Charges for connection services are split into two categories:

**Network reinforcement charges** - the charges for work that is needed on the existing water or sewer network to provide for new development-related growth. These will be recovered through a new 'infrastructure charge'<sup>1</sup>, which will be fixed for both water and wastewater connections.

**Site specific charges** - the charges for all work carried out on the development site and the pipework required to connect the new homes to the existing water main or sewer at a defined point of connection. This includes:

- new water service connections
- new water mains
- new drainage connections
- new sewers
- diversions of existing water mains and sewers that need to be moved on a development site.

We're publishing fixed charges for most of the site specific work that we carry out.

By publishing our charges upfront, our customers should be able to confidently work out a reasonable estimate of the charges that will apply to their specific development project, at a much earlier stage, providing they know the parameters of the development.

There may be a limited number of circumstances where the work needed is not fully covered by our published charges and this is made clear in the document. There may also be circumstances when charges will be estimated upfront and reassessed once the work is complete. Again, it will be made clear where this applies.

Our charges are set in line with new Ofwat charging rules that apply to all water companies operating in England. They allow us some flexibility to develop our charges, so they reflect our company circumstances and the region we operate within. They have been developed through consultation and engagement with our customers. A copy of the new charging rules is available online at: [ofwat.gov.uk/publication/charging-rules-new-connection-services-englishundertakers](https://ofwat.gov.uk/publication/charging-rules-new-connection-services-englishundertakers)

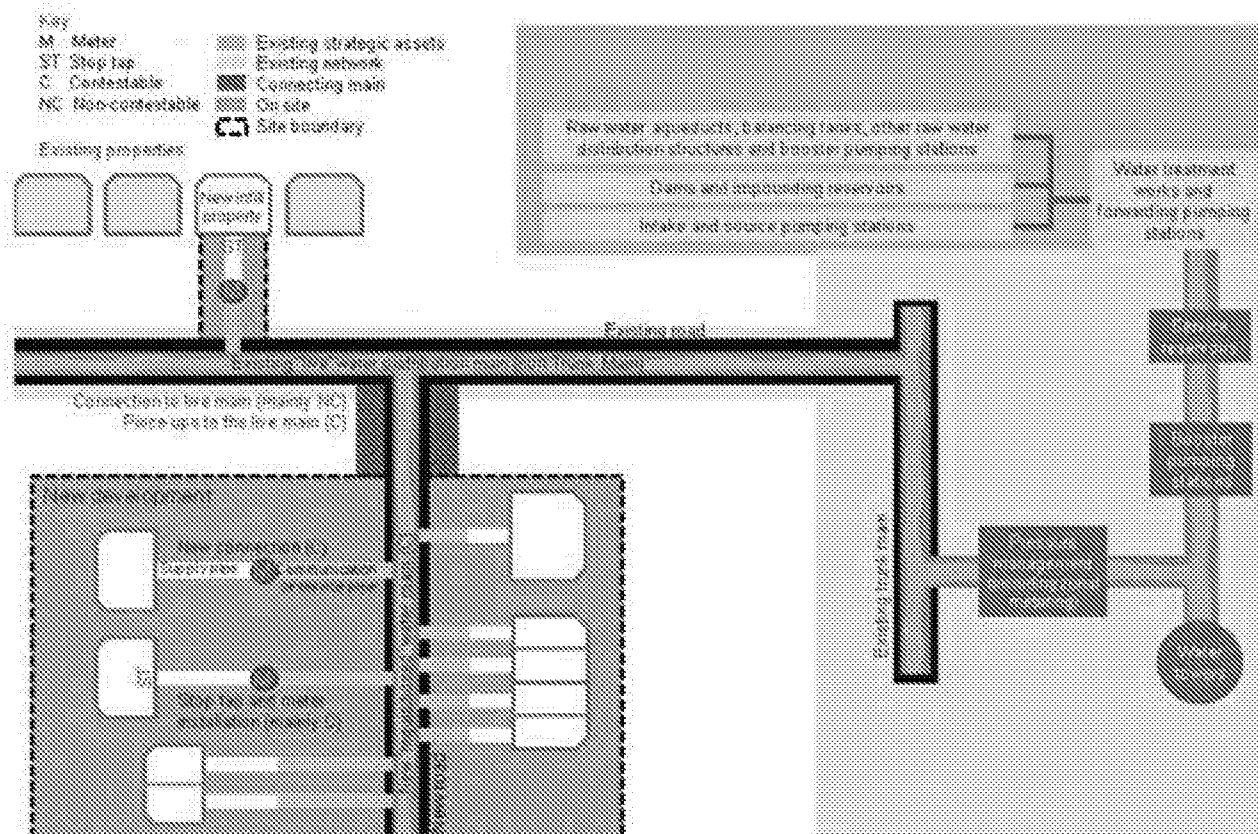
<sup>1</sup> We've included information about our infrastructure charges in this document for the convenience of our customers, so that information on all charges for new connections can be found in a single document. However, it should be noted that Ofwat's Charges Scheme Rules require us to fix infrastructure charges in a charges scheme made under Section 142 of the Water Industry Act 1991. This charges scheme can be viewed on our website at [southernwater.co.uk/information-leaflets](https://southernwater.co.uk/information-leaflets)

## Who pays for what?

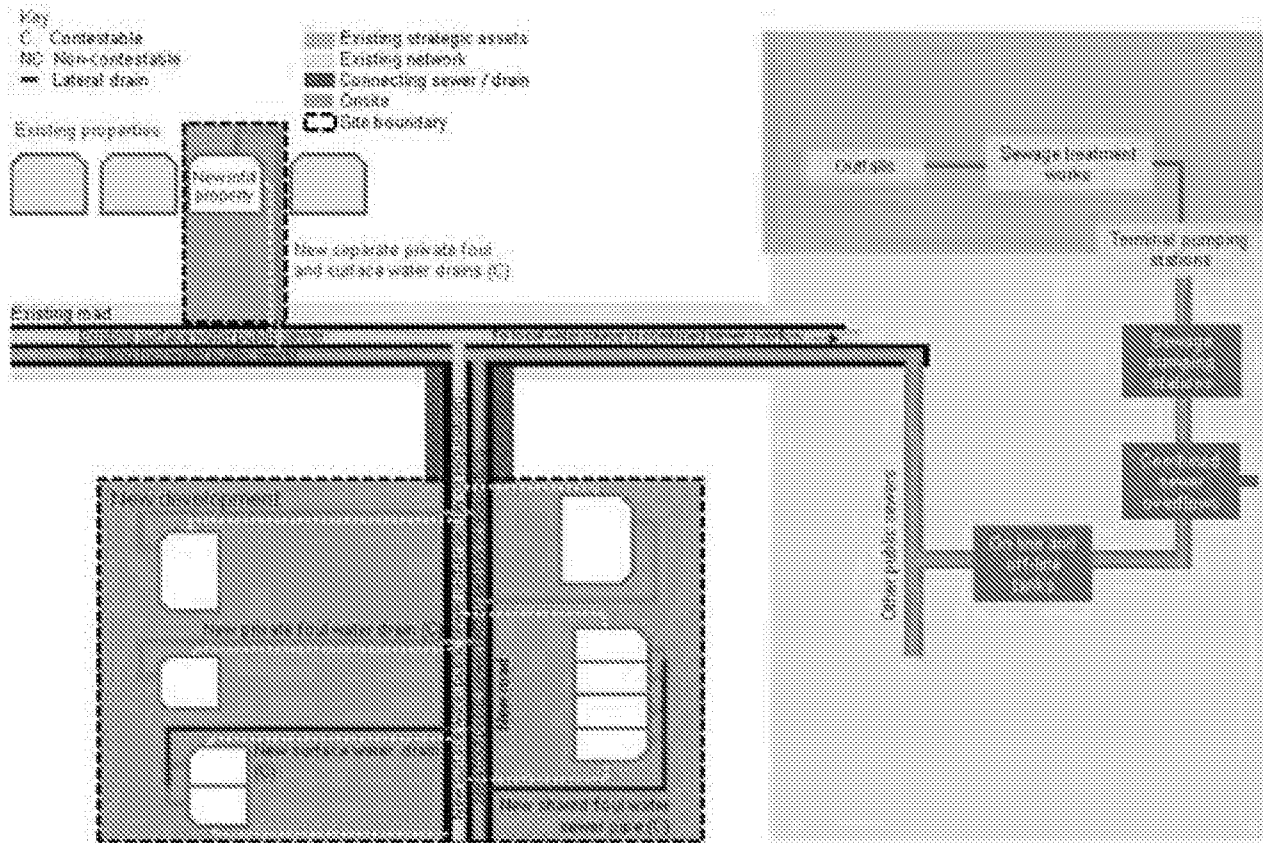
The following diagrams show who pays for what in relation to water and wastewater connection services. The diagrams are annotated as follows:

| Colour                           | Infrastructure                                                                      | Who pays and how?                                |
|----------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------|
| Dark green and brown shaded area | Site specific work to connect to an appropriate point on the existing network       | Applicants through site specific charges         |
| Light green shaded area          | Network reinforcement – upgrades and increased capacity within the existing network | Applicants through the New Infrastructure charge |
| Pink shaded area                 | New resources and treatment assets                                                  | Us through our five-year investment plan         |

Typical connections work and the location of existing water assets



## Typical connections work and the location of wastewater assets



## Who can deliver my connection work?

Customers can choose who provides the majority of new connection services for their development and who owns and operates the new network once it has been constructed.

The areas where customers have a choice over who provides the new infrastructure are known as **contestable**. There are other services, such as those linked to the security of water supply that can only be provided by us. These are known as **non-contestable services**.

The table below details who can provide or deliver different elements of the services in this area.

| What service do I need?                                       | Who generally applies?                  | Who can deliver?                                                       |
|---------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------|
| New water supply connections and mains                        | Customer/developer<br>Self-lay provider | Self-lay providers<br>New appointees<br>Southern Water                 |
| New sewers and laterals                                       | Customer/developer                      | Developers or drainage contractors<br>New appointees<br>Southern Water |
| Adoption and operation of new water connection infrastructure | Developer<br>Self-lay provider          | New appointees<br>Southern Water                                       |
| Adoption and operation of new wastewater infrastructure       | Developer                               | New appointees<br>Southern Water                                       |

We encourage applicants to consider all potential delivery options and the following guide sets out further details on the options available to customers.

### Self-lay providers (water supply)

Self-lay companies can install new water supply connections for a development. If you want to use a self-lay provider (SLP), or compare their service to ours, you should contact them directly.

SLPs can provide many elements of water supply infrastructure, such as mains and service pipes. When an applicant chooses to use an SLP, the SLP will agree with us the connection work it will carry out.

In most cases we will still need to carry out some work, for example design approvals or mains connections to the existing network. The SLP must include the cost of any work we need to carry out within the estimate it provides to the applicant.

The SLP can often choose who will own the new infrastructure. Once the work has been completed, and providing it reaches the required industry standards, they have the option of transferring ownership to either a new appointee (NAV), or us.

Water companies will adopt assets which are provided in accordance with the Self Lay Code of Practice, which you can find online at [water.org.uk/developer-services/self-lay-code-practice](http://water.org.uk/developer-services/self-lay-code-practice)

## **Developers and drainage contractors (wastewater)**

In most situations, the wastewater infrastructure needed for a new development is constructed by the developer or a suitable drainage contractor employed by the developer. We very rarely carry out these works.

Once complete, the developer can transfer ownership of the new network to either a NAV or us. We are obliged to take ownership of ("adopt") these types of assets providing they are designed and constructed to meet water industry standards. For most works, these standards can be found in the Water UK/WRC publication, Sewers for Adoption.

## **Regional water companies and new appointees and variations**

Southern Water is a regional water company. All water companies can provide new connection services, or agree to take ownership of new water and wastewater connection infrastructure provided by others, in accordance with the Water Industry Act 1991. If requested by a developer, water companies are legally required to provide water mains, sewers and lateral drains through a process called requisitioning.

Alternatively, new appointees and variations (NAVs), also known as 'inset' companies, can provide new connection services 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 visit [ofwat.gov.uk/regulated-companies/markets/nav-market](https://ofwat.gov.uk/regulated-companies/markets/nav-market)

Details of current NAVs can be found online at [ofwat.gov.uk/publication/register-of-new-appointments-and-variations-granted-to-date](https://ofwat.gov.uk/publication/register-of-new-appointments-and-variations-granted-to-date)

# Guide to our charges

## Network reinforcement

Network reinforcement is work that needs to be carried out to our existing network to support development-related growth. This work is needed to ensure there is enough capacity in both the water and wastewater network to serve the new homes that are built without impacting on the service to our existing customers.

Network Reinforcement may include the following activities:

- Enlarging existing pipes or installing larger new pipes to increase capacity for a specific development, or further expected growth in the future.
- Upsizing existing or proposed pumping stations.
- Providing new cross-connections to improve network capacity under differing network conditions.
- Other infrastructure required to provide network capacity for growth resulting from new development.

Network reinforcement work is paid for through a new infrastructure charge. Every new property that is connected to our network will be subject to this charge.

Each company will set infrastructure charges for water and wastewater, which reflect their individual company circumstances, so applicants will see differences between companies.

This replaces the previous infrastructure charge which was the same for all companies. In some circumstances the old infrastructure charge applies - these are set out below. If you're unsure about what charge will apply to your development, contact our Developer Services team.

- New infrastructure charges apply to all new connections made to water mains or sewers laid before 1991 or after April 2018, or
- Old Infrastructure charges apply if the connection is made to a water main or sewer which was requisitioned between 1991 and April 2018

## Water infrastructure charges – individually metered properties

Our infrastructure charges for water are detailed in the table below:

| Charge                                                  | Charge  | How is this applied? |
|---------------------------------------------------------|---------|----------------------|
| New infrastructure charge                               | £200    | Per property         |
| New infrastructure charge (water efficient development) | £0      | Per property         |
| Old infrastructure charge                               | £379.62 | Per property         |

## Target 100 – promoting water efficiency

We operate in a water-stressed region and are both keen to work with developers as well as incentivise them to build new, water efficient homes. Our aim is to reduce the amount of water used by our customers to 100 litres per person per day. Our customers currently use about 130 litres per person per day. For new homes built with water efficient fixtures and fittings that achieve water use of 110 litres per person per day, we'll waive the water infrastructure charge. We will

measure this against the current optional building regulations standards, to take a consistent approach.

## Wastewater infrastructure charges – individually metered properties

Our Infrastructure charges for wastewater are detailed in the table below:

| Charge                                           | Charge  | How is this applied? |
|--------------------------------------------------|---------|----------------------|
| New infrastructure charge (development size <20) | £550    | Per property         |
| New infrastructure charge (development size >20) | £765    | Per property         |
| Old infrastructure charge                        | £379.62 | Per property         |

We will confirm the development size primarily through the sewer connection application process. In addition, we'll liaise with our neighbouring water companies to compare information to ensure we have accurate records. The higher charge may be levied if the appropriate sewer connection processes are not followed.

## Infrastructure charges – domestic use in other premises

Infrastructure charges are applicable for domestic use in dwellings that are not individually metered, for example flats with a common billing arrangement, and non-dwellings, however they are calculated differently. We calculate this by working out the likely domestic use and how this equates to an equivalent number of domestic dwellings. We use the 'relevant multiplier' approach, which is the standard approach used throughout the water industry.

Details of how we calculate the relevant multiplier can be found online at [ofwat.gov.uk/wp-content/uploads/2015/10/lic\\_lic\\_sm.pdf](http://ofwat.gov.uk/wp-content/uploads/2015/10/lic_lic_sm.pdf)

## Infrastructure charge credits

If the development site contained homes that were connected to our network within the last five years, we'll apply an infrastructure charge credit. This means that we'll deduct the number of former homes from the total number of houses that are built as part of the new development, reducing the number of infrastructure charges that are due. For example, if a development takes place on a site where 20 homes previously existed, and the new development will result in 40 new homes being built in their place, infrastructure charges only apply to 20 of the new homes that are connected.

In some cases, where the site was not previously housing, we may review the metered water consumption or sewer flows from the site and equate it to an average home within our area, so we can estimate how much water was used previously by the homes on the site and deduct that from the amount we expect to be used by the new properties. In the absence of metered information, other reasonable evidence will be used to estimate the prior demand on the network from the site.

## Timing of charges

We'll give applicants the choice of paying the infrastructure charges either when the connection to our network is made (as they did prior to April 2018), or paying upfront. The applicant can decide which approach best suits their needs.

## **Upsizing new mains or sewers for future use**

Occasionally, we may request that mains or sewers constructed by developers or SLPs are upsized to provide capacity for future growth. Where mains and sewers are upsized because of our request, we'll repay any extra expense reasonably incurred and fund it from infrastructure charges. Our contribution will be based on assumed flow rates for the development - relative to the other flows allowed for in the design.

## Site specific charges

Our site specific charges cover all elements of work that may be needed to connect the new homes to our existing network.

What you pay will largely depend on the size of your development and its location. The cost will vary depending on the number of connections needed, the amount and size of the connecting pipework, the depth that it needs to be installed, the nature of the surface that the work is being carried out in and the size of the associated infrastructure required. We have set fixed charges that cover a range of options.

In addition, we have also set charges for other activities that we may need to carry out such as traffic management, work in the highways, working in areas of contaminated land and dewatering activities.

When we construct new water mains and sewers our charges will be discounted as we apply an 'income offset', which takes into account expected future income from the new properties. This is based on the amount of money we would expect to receive over a 12-year period from different property types. The income offset will be capped at the capital value of the requisition work. Income offsets only apply to new site specific water mains and sewers.

In order to be able to make a reasonable estimate of the cost of the site specific work required, applicants do need to know the parameters of the development.

Below we have set out a guide to site specific work that explains the different types of infrastructure that might be needed and other factors that will need to be considered. This is followed by the charges that will apply to this work.

### Surface categories

The type of surface has a big influence on construction costs because of the difference in techniques used, reinstatement required and co-ordination with other parties. Our charges vary depending on the type of surface and this is set out in the charging tables that follow. The different surface types are detailed below.

**No excavation** - these charges apply when the trench has been pre-excavated by the customer in line with our standards. They do not include backfill or reinstatement.

**Unmade ground** - these charges apply to unfinished surfaces, which could include construction sites, fields or verges.

**Footpaths** - these charges apply when working in a footpath.

**Side roads** - these charges apply when working in/on a minor road. These are formally categorised as Type 3 and Type 4 roads (New Roads and Street Works Act 1991 - Code of Practice). Most local residential roads would fall into this category.

**Main roads** - these charges apply when working on major roads. These are formally categorised as Type 0,1 and 2 roads. These roads are much busier - examples include roads with an official A or B number (ie A27) or dual carriageways and higher speed single carriageway roads.

## VAT

The charges below generally include VAT in the application and administration fees. The charges in the construction areas do not. If VAT is required on any elements of work, we will make it clear in the estimates we provide.

## Water connection services – guide to our charges

### New service connections

- New service connections involve sections of small diameter pipe, known as the communication pipe, laid from an existing water main to the boundary of a property where a meter chamber and stop-tap (valve) is normally located.
- A small diameter supply pipe within the boundary of a property links the communication pipe with the internal plumbing of the house. The supply pipe is the responsibility of the property owner.
- Service connections are made under Section 45 of the Water Industry Act. There is a non-refundable application charge - and an administration charge if the applicant goes ahead.
- The charges below should be combined to form the total costs associated with a particular application.
- The costs for new connections are applied per property and measured by the number of meters installed.
- The costs will vary depending on whether the work needs to be carried out in an existing road (main or side road) or in a new development site where the road is not yet surfaced or adopted.
- On new development sites, connection types are known as short side or long side. Pipework up to 3 metres long is described as short side pipework between 3 and 8 metres long is known as long side.
- For side road and main road connections, each connection has up to 8 meters of pipework included within the standard charge.
- The charges include connection to the water main, a new meter, stop-tap and boundary box.
- Larger diameter pipes may be needed to make connections to larger buildings such as flats and office blocks. We have set charges for a range of pipe diameters and up to 8 meters of pipework. Charges also include connection to the main, a new meter, valving and a boundary box.
- If more than 8 metres of pipework is needed, we have set charges for additional pipework.
- If the connections need to be made in an area of contaminated land, additional charges will apply to cover the cost of specialist fittings, pipework and management of ground conditions.
- Standard traffic management where we can keep traffic flowing, or install two-way traffic lights, are included within our standard charges. If more complex traffic management is needed and we incur additional local authority charges we will apply an additional charge for extraordinary traffic management. This isn't always easy to predict but we will make our customers aware as early as possible if this charge will apply.
- The charges associated with water connections are payable upfront, at the point of application, and at the provision of estimates for the work.

## Section 45 application and administration fees

| Service                                                                                                                                   | Charge  | Contestable / Non-contestable | How is this applied?      |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------------------------|---------------------------|
| S45 - Application fee (first connection)                                                                                                  | £86.57  | Non-contestable               | Per application           |
| S45 - Application fee (subsequent connections)                                                                                            | £43.75  | Non-contestable               | Per subsequent connection |
| S45 – Self-laid application fee (first connection)                                                                                        | £66.17  | Non-contestable               | Per application           |
| S45 – Self-laid application fee (subsequent connections)                                                                                  | £40.13  | Non-contestable               | Per subsequent connection |
| S45 – Administration fee (first connection)                                                                                               | £39.79  | Non-contestable               | Per application           |
| S45 – Administration fee (subsequent connections)                                                                                         | £24.65  | Non-contestable               | Per subsequent connection |
| S45 – Self-laid administration fee (first connection)                                                                                     | £25.39  | Non-contestable               | Per application           |
| S45 – Self-laid administration fee (subsequent connections)                                                                               | £15.73  | Non-contestable               | Per subsequent connection |
| Water regulations inspection (external) – first of every 10 plots (1 <sup>st</sup> , 11 <sup>th</sup> , 21 <sup>st</sup> etc)             | £82     | Non-contestable               | Per connection            |
| Water regulations inspection (external) – every other plot (2 <sup>nd</sup> – 10 <sup>th</sup> , 12 <sup>th</sup> – 20 <sup>th</sup> etc) | £5.69   | Non-contestable               | Per connection            |
| Approving site-specific water distribution systems design                                                                                 | £244.80 | Non-contestable               | Per connection            |
| Point of connection enquiry                                                                                                               | £110    | Contestable                   | Per application           |
| Abortive charges (site not ready)                                                                                                         | £82     | N/A                           | Per occurrence            |
| Re-inspection fee                                                                                                                         | £82     | N/A                           | Per occurrence            |

## Standard connection charges

| Connection type                 | Charge | Excavation undertaken? | Contestable / non-contestable | How is this applied? |
|---------------------------------|--------|------------------------|-------------------------------|----------------------|
| New development site short side | £225   | No excavation          | Contestable                   | Per property         |
| New development site short side | £285   | With excavation        | Contestable                   | Per property         |
| New development site long side  | £258   | No excavation          | Contestable                   | Per property         |
| New development site long side  | £341   | With excavation        | Contestable                   | Per property         |
| Side road                       | £723   | With excavation        | Either                        | Per property         |
| Main road                       | £849   | With excavation        | Either                        | Per property         |

## Large diameter Connections

| Connection type  | Charge | Excavation      | Contestable / Non-contestable | How is this applied?  |
|------------------|--------|-----------------|-------------------------------|-----------------------|
| 63mm connection  | £2353  | With excavation | Either                        | Per property/premises |
| 90mm connection  | £6321  | With excavation | Non-contestable               | Per property/premises |
| 125mm connection | £6582  | With excavation | Non-contestable               | Per property/premises |

## Additional pipework (per meter)

| Pipe size                      | Surface No excavation | Unmade ground | Footpath | Side road | Main road |
|--------------------------------|-----------------------|---------------|----------|-----------|-----------|
| Property connections (25/32mm) | £9                    | £29           | £60      | £86       | £130      |
| 63mm                           | £38                   | £62           | £90      | £113      | £150      |
| 90mm                           | £40                   | £77           | £106     | £142      | £173      |
| 125mm                          | £44                   | £86           | £114     | £151      | £183      |

## Contaminated land

| Contaminated land                                      | Charge | Excavation type | How is this applied? |
|--------------------------------------------------------|--------|-----------------|----------------------|
| Barrier connection - property connections (25/32/63mm) | £46    | No excavation   | Per property         |
| Barrier connection - property connections (25/32/63mm) | £119   | With excavation | Per property         |
| Barrier pipe -- 25/32mm                                | £15    | Not applicable  | Per metre of pipe    |
| Barrier pipe -- 63mm                                   | £34    | Not applicable  | Per metre of pipe    |
| Barrier pipe -- 90mm                                   | £34    | Not applicable  | Per metre of pipe    |
| Barrier pipe -- 125mm                                  | £38    | Not applicable  | Per metre of pipe    |

## Extraordinary traffic management

|                        | Charge | How is this applied?        |
|------------------------|--------|-----------------------------|
| Traffic management fee | £777   | Per application if required |

**Flats with internal meters** - following our development of the standard charges, flats with internal meters do not fit easily into our standard charging arrangements, as there are lower levels of excavation. As a result, we are offering the option for a bespoke pricing option for those customers who are developing flats with internal meters. This bespoke price will be offered as an alternative to the above standard charging approach. The customer will then be able to choose which option to go with that offers best value. We strongly advise customers to take up this option as it may offer better value in these unique circumstances.

**Disconnections** - our unit charge for disconnections (where chargeable) will be £409.

### **New water mains**

- Water mains are pipes that will supply water to new homes within a development.
- New water mains can be provided by us or by an SLP.
- When carried out by an SLP, it is done so under Section 51 of the Water Industry Act. We will adopt the new infrastructure once it's complete, providing it meets the required industry standards. There are set charges that cover this process.
- Some aspects of water main installation can only be carried out by us and we will provide an estimate to the SLP carrying out the work.
- The SLP may also request that elements of contestable work are delivered by us. These elements will be charged in accordance with the charges within this document.
- We offer an asset payment to SLPs, which is calculated in the same way as the income offset, less any non-contestable and requested contestable items.
- If the applicant would like us to provide the new water main they can do so through an agreement called a requisition under Section 41 of the Water Industry Act.
- The charges below should be combined to form the total costs associated with a particular application.
- Our water main charges include all valves, hydrants, washouts and the costs involved in co-ordinating our work with the applicant's schedule.
- Separate charges apply when a connection needs to be made to an existing water main. This includes one valve and one hydrant. The charge will depend on the size of the pipe being connected to the existing network.
- Connections to self-laid mains are simple pipe to pipe connections to mains laid under an adoption agreement.
- On some occasions we may need to install (or been requested to install) pressure-reducing valves to reduce the risk of bursts, or district meters that enable us to measure the amount of water being supplied to a specific area. These will be charged per installation and the cost will depend on the size of the pipe they are connected to
- If the site being developed is on an area of land that may be contaminated due to its previous use, we may need to install a specialist pipe known as a barrier pipe to avoid contamination of the water supply
- If these specialist pipes are required, they are charged in addition to the water main and the cost will vary depending on the pipe size
- Standard traffic management where we can keep traffic flowing, or install two-way traffic lights, are included within our standard charges. If more complex traffic management is needed and we incur additional local authority charges we will apply an additional charge for extraordinary traffic management. This is not always easy to predict but we will make our customers aware as early as possible if this charge will apply.
- We will offer an income offset when we construct a new water main which considers the expected future income from the new properties. The income offset will be applied per property and vary depending on the size of the property.
- The maximum income offset will be capped at the capital value of the requisition (as determined by the following charges).
- The charges associated with water mains laying are payable upfront and following the provision of estimates. Under our current charging approach there is an option to pay under the relevant deficit approach, where charges are payable over a 12-year period. Should this be attractive for applicants we will be able to offer a bespoke quotation on that basis. The ultimate charges may prove different to the following due to the different calculation method.

## Section 51 SLP application, enquiry and administration charges

| Service                               | Charge  | Contestable / non-contestable | How is this applied?   |
|---------------------------------------|---------|-------------------------------|------------------------|
| S51 – Pre-commencement fee            | £618    | Non-contestable               | Per adoption agreement |
| S51 – Water mains design approval fee | £244.80 | Non-contestable               | When required          |

## Section 41 application, enquiry and administration charges

| Service                                                               | Charge | Contestable / non-contestable | How is this applied? |
|-----------------------------------------------------------------------|--------|-------------------------------|----------------------|
| S41 – Point of connection enquiry                                     | £110   | Contestable                   | Per enquiry          |
| S41 – Mains application/ administration/design fee – 0 to 50 units    | £1679  | Either                        | Per application      |
| S41 – Mains application/ administration/design fee – 51 to 250 units  | £1770  | Either                        | Per application      |
| S41 – Mains application/ administration/design fee – 251 to 500 units | £1984  | Either                        | Per application      |
| S41 – Mains application/ administration/design fee – 500+ units       | £2291  | Either                        | Per application      |

## New water mains laying (per meter)

| Pipe size | Surface | No excavation | Unmade ground | Footpath | Side road | Main road |
|-----------|---------|---------------|---------------|----------|-----------|-----------|
| 63mm      |         | £55           | £84           | £117     | £143      | £187      |
| 90mm      |         | £55           | £101          | £136     | £177      | £213      |
| 125mm     |         | £59           | £110          | £143     | £186      | £224      |
| 180mm     |         | £70           | £132          | £170     | £206      | £245      |
| 250mm     |         | £101          | £155          | £207     | £240      | £297      |
| 315mm     |         | £135          | £191          | £277     | £329      | £383      |
| 355mm     |         | £161          | £219          | £306     | £363      | £420      |

## Connection to existing main

| Connecting pipe size                    | Charge | Contestable / non-contestable | How is this applied? |
|-----------------------------------------|--------|-------------------------------|----------------------|
| 63mm                                    | £3285  | Either                        | Per connection       |
| 90mm                                    | £3285  | Either                        | Per connection       |
| 125mm                                   | £3437  | Either                        | Per connection       |
| 180mm                                   | £4781  | Either                        | Per connection       |
| 250mm                                   | £5305  | Either                        | Per connection       |
| 315mm                                   | £9909  | Either                        | Per connection       |
| 335mm                                   | £18229 | Either                        | Per connection       |
| Connection to self-laid main (any size) | £1305  | Contestable                   | Per connection       |

## Pressure reducing valves

| Pressure reducing valves (with by-pass) | Charge | Contestable / non-contestable | How is this applied? |
|-----------------------------------------|--------|-------------------------------|----------------------|
| 63mm                                    | £8981  | Contestable                   | Per installation     |
| 90mm                                    | £9148  | Contestable                   | Per installation     |
| 125mm                                   | £9923  | Contestable                   | Per installation     |
| 180mm                                   | £11882 | Contestable                   | Per installation     |
| 250mm                                   | £17301 | Contestable                   | Per installation     |
| 315mm                                   | £29986 | Contestable                   | Per installation     |
| 335mm                                   | £30293 | Contestable                   | Per installation     |

## District meters

| District meters (with by-pass) | Charge | Contestable / non-contestable | How is this applied? |
|--------------------------------|--------|-------------------------------|----------------------|
| 63mm                           | £8254  | Contestable                   | Per installation     |
| 90mm                           | £8421  | Contestable                   | Per installation     |
| 125mm                          | £8913  | Contestable                   | Per installation     |
| 180mm                          | £10579 | Contestable                   | Per installation     |
| 250mm                          | £16341 | Contestable                   | Per installation     |
| 315mm                          | £29986 | Contestable                   | Per installation     |
| 335mm                          | £30294 | Contestable                   | Per installation     |

## Contaminated land

| Contaminated land    | Charge | Excavation type | How is this applied? |
|----------------------|--------|-----------------|----------------------|
| Barrier pipe – 63mm  | £29    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 90mm  | £29    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 125mm | £33    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 180mm | £37    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 250mm | £70    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 315mm | £82    | Not applicable  | Per metre of pipe    |
| Barrier pipe – 355mm | £92    | Not applicable  | Per metre of pipe    |

## Extraordinary traffic management

|                        | Charge | How is this applied?        |
|------------------------|--------|-----------------------------|
| Traffic management fee | £916   | Per application if required |

## Income offset discount

| Property size      | Income offset | How is this applied? |
|--------------------|---------------|----------------------|
| 1 bedroom property | £1553         | Per property         |
| 2 bedroom property | £1867         | Per property         |
| 3 bedroom property | £2103         | Per property         |
| 4 bedroom property | £2182         | Per property         |
| 5 bedroom property | £2292         | Per property         |

Income offsets for commercial properties will continue to be offered. The latest commercial charges used to develop the offset can be found in our Wholesale Statement of Principles and Charges, available online at [southernwater.co.uk/information-leaflets](http://southernwater.co.uk/information-leaflets).

## Asset payments

Asset payments are payable to SLPs when they deliver water main infrastructure. The mechanism for calculating the asset payment is the same as calculating the maximum income offset. Relevant non-contestable and requested contestable items will be deducted from the asset payment as they will be delivered by us.

## Wastewater connection services – guide to our charges

### New lateral drains and connections

- Lateral drains are the part of the drain that runs from the edge of the property and connects with the sewer.
- Sewer connections are usually undertaken under Section 106 of the Water Industry Act through an application for a connection made to us, and when approved, work is usually carried out by a drainage contractor on behalf of the applicant.
- There are charges associated with the Section 106 application process.

- On very rare occasions, we may need to undertake connection work ourselves and we would notify you of this following review of your Section 106 sewer connection application.
- If we need to carry out this work, we do so under Section 107 of the Water Industry Act and only in those specific circumstances would the fixed charges detailed below apply.
- If we're required to make the connection, the cost will depend on the size, depth and nature of the surface in which the pipe is being constructed.
- The charges below should be combined to form the total costs associated with a particular application.
- Connections are made using different methods of connecting a new pipe to an existing sewer, existing manhole or by constructing a new manhole.
- If a new manhole is not needed, then the connection to the existing sewer or manhole is included in the pipe laying rate.
- Highways charges may apply if we need to work with the local authority to allow us to carry out the construction work. These charges would cover any temporary road, parking bay and pedestrian crossing closures.
- Extra charges will apply if we need to put in place traffic management to allow us to carry out our work safely, for example operating temporary traffic lights (other than two-way lights that are included in our basic charges) and implementing diversion routes.
- We may need to reduce the flow in the existing sewer, so we can make the connection safely. An additional charge for over pumping into the receiving sewer will be applied in these cases.
- Sewer connections are deep and must be carried out safely. On some occasions specialist ground support, such as interlocking sheet piles, may be needed to protect our construction teams and the surrounding areas and properties. If this is needed, additional charges will apply.
- In areas where groundwater levels are high we may need to carry out specialist dewatering. In most cases we can manage this with a small pump, but in some circumstances a more specialist approach will be needed. This will add to the cost significantly.
- The charges associated with water connections are payable upfront on application and provision of estimates. Work will commence on receipt of payment.

## Section 106/107 application and administration charges

| Service                                                                           | Charge | Contestable / Non-contestable | How is this applied? |
|-----------------------------------------------------------------------------------|--------|-------------------------------|----------------------|
| S106/107 Application/ administration fee – connection to existing sewer / manhole | £277   | Non-contestable               | Per application      |
| S106/107 Application / administration fee – new manhole construction              | £355   | Non-contestable               | Per application      |

## Construction related charges (only where required)

### Connecting pipework - unmade ground (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 150mm    | £278       | £375        | £472        | £581        |
| >150 - 300mm | £425       | £531        | £623        | £726        |

### Connecting pipework – footpath (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 150mm    | £405       | £634        | £771        | £896        |
| >150 - 300mm | £546       | £781        | £913        | £1034       |

### Connecting pipework - side road (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 150mm    | £469       | £672        | £743        | £852        |
| >150 - 300mm | £617       | £828        | £894        | £999        |

### Connecting pipework - main road (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 150mm    | £663       | £905        | £997        | £1150       |
| >150 - 300mm | £818       | £1068       | £1155       | £1303       |

### New manhole - unmade ground (per manhole)

| Manhole depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Manhole size  |            |             |             |             |
| 1200mm        | £2469      | £3121       | £4634       | £5560       |
| 1500mm        | £2901      | £4023       | £5981       | £7388       |
| 1800mm        | £3673      | £5337       | £7259       | £8946       |
| 2100mm        | £5024      | £6952       | £9233       | £11631      |

### New manhole – footpath (per manhole)

| Manhole depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Manhole size  |            |             |             |             |
| 1200mm        | £2953      | £3688       | £5348       | £6542       |
| 1500mm        | £3536      | £4678       | £6806       | £8243       |
| 1800mm        | £4464      | £6185       | £8161       | £9876       |
| 2100mm        | £5913      | £7881       | £10198      | £12645      |

### New manhole - side road (per manhole)

| Manhole depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Manhole size  |            |             |             |             |
| 1200mm        | £4014      | £5192       | £7587       | £9085       |
| 1500mm        | £4541      | £5922       | £8568       | £10317      |
| 1800mm        | £5909      | £7680       | £9714       | £11749      |
| 2100mm        | £7019      | £9180       | £11699      | £14219      |

### New manhole - main road (per manhole)

| Manhole depth | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Manhole size  |            |             |             |             |
| 1200mm        | £4818      | £6025       | £8542       | £10076      |
| 1500mm        | £5513      | £6927       | £9702       | £11492      |
| 1800mm        | £7149      | £8963       | £11045      | £13128      |
| 2100mm        | £8476      | £10688      | £13267      | £15847      |

### Additional charges

| Charge Type                      | Charge | How is this applied? |
|----------------------------------|--------|----------------------|
| Highways charge                  | £848   | Per closure          |
| Traffic management               | £933   | Weekly charge        |
| Over-pumping the receiving sewer | £2763  | Per connection       |
| Specialist de-watering           | £12861 | Per connection       |
| Specialist ground support        | £2715  | Per connection       |

### New site specific sewers

- If new sewers are needed to drain the new houses, developers usually apply through the Section 104 process and work is carried out by a drainage contractor. Under this approach we will adopt the new sewer once it is complete, providing it meets the required industry standards.
- There is a similar approach for adopting already constructed sewers under our Section 102 process.
- There are fixed charges associated with the Section 104 and 102 application process.
- If a developer requires us to carry out the construction of a new sewer they can make an application through a Section 98 requisition.
- The charges below should be combined to form the total costs associated with a particular application.
- We have set fixed charges for gravity sewers, manhole construction and rising main construction. Costs will vary depending on the size and depth of the sewer.
- Our charges include the costs of design, surveys, land-entry, management costs, traffic management and related administration

- The charges also include standard trench support (excavator driven sheet piles and support structures, and groundwater management), by providing a localised pump to remove water from a trench.
- On some occasions specialist approaches may be needed, including if the development site contains contaminated material. In such cases we will provide a bespoke estimate.
- We will offer a discount when we construct a new sewer which considers the expected future income from the new properties. The income offset will be applied per property and vary depending on the size of the property. Income offsets only apply to the construction of new sewers, not any lateral connections.
- The maximum income offset will be capped at the capital value of the requisition (as determined by the following charges).
- The charges associated with new sewer infrastructure are payable upfront and following the provision of estimates. Under our current charging approach there is an option to pay under the relevant deficit approach, where charges are payable over a 12-year period. Should this be attractive for applicants we will be able to offer a bespoke quotation on that basis. The ultimate charges may prove different to the following due to the different calculation method.

#### Section 104 /102 application and administration charges

| Service                                                                  | Charge                           | Contestable / non-contestable | How is this applied? |
|--------------------------------------------------------------------------|----------------------------------|-------------------------------|----------------------|
| S102 - Application fee (including initial administration)                | £386                             | Non-contestable               | Per application      |
| S104 - Application fee (including initial administration)                | £618                             | Non-contestable               | Per application      |
| S102 / S104 - Technical/ inspection fee (including final administration) | 2.5% of construction value       | Non-contestable               | Per application      |
| S102 / S104 - Legal fee                                                  | £400                             | Non-contestable               | Per application      |
| S104 - Security                                                          | Bond – 10% of construction value | Non-contestable               | Per application      |

#### Section 98 requisition application charges

| Service                                                  | Charge                     | Contestable / non-contestable | How is this applied? |
|----------------------------------------------------------|----------------------------|-------------------------------|----------------------|
| S98 - Application fee (including initial Administration) | £4672.80                   | Non-contestable               | Per application      |
| S98 - Design fee*                                        | 10% of total project value | Either                        | Per application      |
| S98 - Point of connection enquiry                        | £110                       | Either                        | Per application      |

\* the design fee (or an element of it) will be refunded if, on agreement to proceed, the total cost of the construction works is less than the income offset

### New gravity sewers - unmade ground (per metre)

| Pipe depth    | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Pipe size     |            |             |             |             |
| 0 - 150mm     | £450       | £628        | £797        | £1159       |
| >150 - 300mm  | £684       | £794        | £1052       | £1353       |
| >300 - 450mm  | £750       | £862        | £1118       | £1432       |
| >450 - 600mm  | £814       | £983        | £1268       | £1621       |
| >600 - 900mm  | £1383      | £1513       | £1860       | £2116       |
| >900 - 1200mm | £1727      | £2000       | £2485       | £2909       |

### New gravity sewers – footpath (per metre)

| Pipe depth    | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Pipe size     |            |             |             |             |
| 0 - 150mm     | £611       | £714        | £849        | £1211       |
| >150 - 300mm  | £800       | £891        | £1118       | £1402       |
| >300 - 450mm  | £905       | £994        | £1199       | £1477       |
| >450 - 600mm  | £984       | £1143       | £1373       | £1682       |
| >600 - 900mm  | £1684      | £1790       | £2023       | £2163       |
| >900 - 1200mm | £2111      | £2399       | £2750       | £3030       |

### New gravity sewers - side road (per metre)

| Pipe depth    | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Pipe size     |            |             |             |             |
| 0 - 150mm     | £643       | £791        | £886        | £1252       |
| >150 - 300mm  | £836       | £942        | £1201       | £1519       |
| >300 - 450mm  | £952       | £1049       | £1301       | £1625       |
| >450 - 600mm  | £1035      | £1199       | £1481       | £1840       |
| >600 - 900mm  | £1763      | £1857       | £2181       | £2400       |
| >900 - 1200mm | £2205      | £2447       | £2907       | £3297       |

### New gravity sewers - main road (per metre)

| Pipe depth    | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|---------------|------------|-------------|-------------|-------------|
| Pipe size     |            |             |             |             |
| 0 - 150mm     | £683       | £837        | £1047       | £1514       |
| >150 - 300mm  | £813       | £1019       | £1345       | £1735       |
| >300 - 450mm  | £1009      | £1155       | £1479       | £1888       |
| >450 - 600mm  | £1092      | £1315       | £1678       | £2131       |
| >600 - 900mm  | £1830      | £1997       | £2443       | £2770       |
| >900 - 1200mm | £2252      | £2603       | £3223       | £3769       |

#### New manholes - unmade ground (per manhole)

| Manhole depth<br>Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|-------------------------------|------------|-------------|-------------|-------------|
| 1200mm                        | £4326      | £5397       | £7081       | £10144      |
| 1350mm                        | £4658      | £5798       | £8223       | £11561      |
| 1500mm                        | £5154      | £6367       | £8985       | £13985      |
| 1800mm                        | £6716      | £8979       | £12598      | £16915      |
| 2100mm                        | £8810      | £10841      | £14555      | £19590      |

#### New manholes – footpath (per manhole)

| Manhole depth<br>Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|-------------------------------|------------|-------------|-------------|-------------|
| 1200mm                        | £5332      | £6537       | £8337       | £11564      |
| 1350mm                        | £5717      | £6992       | £9692       | £13194      |
| 1500mm                        | £6310      | £7658       | £10564      | £14174      |
| 1800mm                        | £7823      | £10698      | £14472      | £19263      |
| 2100mm                        | £10110     | £12449      | £17099      | £22091      |

#### New manholes - side road (per manhole)

| Manhole depth<br>Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|-------------------------------|------------|-------------|-------------|-------------|
| 1200mm                        | £6768      | £8240       | £10469      | £14484      |
| 1350mm                        | £7282      | £8842       | £12327      | £16707      |
| 1500mm                        | £8078      | £9733       | £13492      | £18019      |
| 1800mm                        | £10608     | £12060      | £16570      | £19440      |
| 2100mm                        | £12127     | £14383      | £19619      | £22635      |

#### New manholes - main road (per manhole)

| Manhole depth<br>Manhole size | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|-------------------------------|------------|-------------|-------------|-------------|
| 1200mm                        | £7295      | £8933       | £11434      | £15749      |
| 1350mm                        | £7818      | £9548       | £13448      | £18196      |
| 1500mm                        | £8628      | £10460      | £14668      | £19597      |
| 1800mm                        | £11344     | £12946      | £19787      | £21115      |
| 2100mm                        | £13750     | £15296      | £23245      | £24134      |

#### New rising main - unmade ground (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 125mm    | £395       | £427        | £556        | £567        |
| >125 - 180mm | £412       | £444        | £575        | £584        |
| >180 - 255mm | £442       | £485        | £630        | £632        |
| >255 - 315mm | £495       | £538        | £666        | £715        |
| >315 - 355mm | £558       | £593        | £751        | £776        |
| >355 - 400mm | £628       | £715        | £866        | £898        |

#### New rising main – footpath (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 125mm    | £503       | £535        | £664        | £755        |
| >125 - 180mm | £523       | £573        | £703        | £793        |
| >180 - 255mm | £579       | £600        | £773        | £891        |
| >255 - 315mm | £656       | £699        | £785        | £923        |
| >315 - 355mm | £723       | £765        | £873        | £991        |
| >355 - 400mm | £871       | £937        | £1088       | £1174       |

#### New rising main – side road (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 125mm    | £541       | £577        | £706        | £801        |
| >125 - 180mm | £562       | £595        | £746        | £840        |
| >180 - 255mm | £579       | £622        | £772        | £899        |
| >255 - 315mm | £621       | £653        | £879        | £1028       |
| >315 - 355mm | £885       | £830        | £1005       | £1167       |
| >355 - 400mm | £966       | £1037       | £1218       | £1218       |

#### New rising main – main road (per metre)

| Pipe depth   | Up to 1.5m | >1.5 - 2.5m | >2.5 - 3.5m | >3.5 - 4.5m |
|--------------|------------|-------------|-------------|-------------|
| Pipe size    |            |             |             |             |
| 0 - 125mm    | £587       | £638        | £832        | £939        |
| >125 - 180mm | £610       | £678        | £850        | £957        |
| >180 - 255mm | £633       | £729        | £919        | £1059       |
| >255 - 315mm | £808       | £866        | £972        | £1133       |
| >315 - 355mm | £840       | £924        | £1100       | £1293       |
| >355 - 400mm | £1150      | £1288       | £1482       | £1718       |

## Income offset discount

| Property size      | Income offset | How is this applied? |
|--------------------|---------------|----------------------|
| 1 bedroom property | £2782         | Per property         |
| 2 bedroom property | £3301         | Per property         |
| 3 bedroom property | £3684         | Per property         |
| 4 bedroom property | £3793         | Per property         |
| 5 bedroom property | £3985         | Per property         |

Income offsets for commercial properties will continue to be offered. The latest commercial charges used to develop the offset can be found in our Wholesale Statement of Principles and Charges, available online at [southernwater.co.uk/information-leaflets](http://southernwater.co.uk/information-leaflets).

## Site specific charges – general information

### Exception to fixed charges

The charges in this document are predominantly fixed charges. On some occasions, the costs associated with laying new water mains and sewers (requisitions) may be more complex and challenging, in which case it will be difficult to provide a fixed charge.

This could include circumstances where:

- the technical complexity of the work is high, or the type of work required is bespoke or carried out infrequently
- third parties can legitimately recover their costs from companies and there is not a reasonable level of certainty of those costs in advance of connection work being undertaken
- third parties have rights to protect their assets or interests in a way that affects the construction method. The third parties' requirements are unknown upfront.
- the work is to be carried out on or close to land with particular environmental, historical or archaeological characteristics. These characteristics mean that specific measures are required during construction or reinstatement. The details of these measures may not be fully defined in advance of construction.

Where the above circumstances occur, we may be unable to provide a fixed upfront charge for the entire works, and will provide a budget estimate comprising a combination of:

- indicative or estimated charges for the elements of works affected by the circumstances above, and
- fixed upfront charges for the elements of the work where there is sufficient certainty and it is reasonable to do so.

There may be occasions when providing an indicative estimate is not possible or where the estimate will not meet the degree of confidence desired by the applicant. In these cases, we will work with the applicant to agree the best way to proceed.

Some specific examples of where exceptions could apply include:

- management and disposal of contaminated material

- extraordinary ground support such as interlocking sheet piles
- extraordinary groundwater control such as deep wells or wellpointing
- excavation of rock or artificial obstructions
- extraordinary pipe bedding requirements (such as piling)
- costs associated with land compensation or loss of profit
- statutory undertakers' diversions
- tunnelling techniques such as directional drilling or auger-boring
- pumping stations and installations
- costs of permits permissions and supervision associated with rail crossings, canal or river crossings, major highway crossings
- costs associated with 'immune bodies' where our statutory powers may not apply
- bespoke legal agreements such as Deed of Grant Easement or Transfer of Pumping Stations where not included within the routine agreements or processes.

The above list is not exhaustive but reflects some more specific examples that may fall into the principles outline above. The examples are generally highly site and context specific. The frequency these occur is also difficult to predict. Including in standard charges would be hard to accommodate and could adversely on the charges incurred all applicants.

### **Recalculating the charges**

For all of the site specific charges, it is possible to recalculate the charges due on completion. This is often known as 'remeasuring'. This will only be undertaken against the charges detailed within this document. Charges will only change if the quantities that have previously been estimated change.

### **Differences in the charges**

In the different categories of site specific charges there are different charges for what appear to be similar activities. There are two major reasons behind this:

- We use different delivery partners for different types of work. Connections and simple works are generally delivered using different partners to more complex, risky construction works. There are different costs associated with this.
- For some simple items there are very low costs in terms of management effort. For more complex elements the charges include all costs associated with project management, design, site investigation, customer management, dealing with external stakeholders and permits, securing planning permission and other similar activities. Due to the way that the charges have been developed, these are included within the charge items to make the charges as user-friendly as possible.

### **Extract of our network plans**

To assist our customers in planning their works, it is possible to request an extract of our network plan. The charge associated with this is **£49.92**.

### **Charges for diversion work**

- Developers with an interest in land that contains existing water or sewerage assets can arrange for the alteration or removal those assets to allow development work to progress.
- For both water mains and sewers this is undertaken under Section 185 of the Water Industry Act.
- All or part of the diversion works may be contestable, in which case we will give the developer the opportunity to undertake the works, or employ a suitably qualified third-party contractor to undertake these elements.

- The decision on who needs to undertake the construction is based on the risk of the work and asset criticality ratings.
- Applicants can contact Developer Services for advice ahead of application.
- Alternatively, should an assessment reveal that a developer-delivered diversion needs to be delivered by Southern Water, we'll only charge the differential in application fees.
- We do not offer published fixed charges for construction activities in this area. We'll keep this under review.
- We'll provide a bespoke estimate for each project in line with our current processes. The applicant will be free to choose how to proceed based on estimates at key stages.
- We'll utilise information from our estimating database at the early stages of the process to provide these bespoke estimates. As the design progresses we'll also engage with our suppliers to deliver an increasingly detailed and accurate quotation for the defined scope of the work required.
- The estimates may be different to the requisition published charges due to the individual nature of each site.
- The charges associated with diversions are payable upfront and following the provision of estimates.

| Service                                                      | Charge                     | Contestable / Non-contestable | How is this applied? |
|--------------------------------------------------------------|----------------------------|-------------------------------|----------------------|
| S185 - Application fee (water diversion)                     | £1740                      | Non-contestable               | Per application      |
| S185 - Application fee (developer wastewater diversion)      | £373.20                    | Non-contestable               | Per application      |
| S185 - Application fee (Southern Water wastewater diversion) | £2220                      | Non-contestable               | Per application      |
| S185 - Design fee (Southern Water diversion)                 | 10% of total project value | Non-contestable               | Per application      |
| S185 – Technical assessment fee (developer diversion)        | £675.60                    | Non-contestable               | Per application      |
| S185 – Inspection fees (developer wastewater diversion)      | 2.5% of construction value | Non-contestable               | Per application      |
| S185 – Legal fees (developer wastewater diversion)           | £400                       | Non-contestable               | Per application      |
| S185 – Security requirements (developer diversions)          | See below                  | Non-contestable               | Per application      |

### Security requirements

For developer delivered diversion projects we require a 100% performance deposit. We return 80% on completion of the works, and the remaining 20% following a one-year warranty period.

## Transitional arrangements

We understand that moving to new charging arrangements presents uncertainty for customers, particularly where they may have already committed to a development based on previous charging arrangements.

We have worked with our stakeholders and Water UK to agree a set of principles by which we will base our charges during the transition period. The transition principles are set out below.

### Infrastructure charges

- After 1 April 2018, premises connecting to a main or sewer that was provided as a requisition under Section 98 or Section 41 of the WIA1991, between 1991 and April 2018, will be charged using the old infrastructure charge in accordance with licence condition C. The charges recovered in accordance with licence condition C will be capped in line with the condition.
- After 1 April 2018, connections made to assets other than those above will be charged in accordance with the new infrastructure charge as defined in the Charges Scheme Rules.
- Any properties directly associated with a development where a network reinforcement requisition has been entered into, will be charged the old infrastructure charge in accordance with licence condition C. The charges recovered in accordance with licence condition C will be capped in line with the condition.

### Site specific charges

- Applications received between 1 February 2018, and the 31 March 2018 for site specific mains and sewer work that will be carried out after 1 April 2018, will be quoted on either the old rules, or the New Charging Rules. Developers and SLPs will be invited to choose their preferred method.
- Applications received between 1 February 2018, and the 31 March 2018 for site specific new property connections that will be carried out after 1st April 2018, will be quoted under the old approach due to the volumes of applications. From the 1 April 2018 quotations will be made under the new charging approach.
- Developers or SLPs that have received a quotation or draft adoption agreement under the old rules, but have not formally accepted can re-apply after the 1 February 2018 for a quotation in accordance with the New Charging Rules.
- Quotations for some site specific work provided under the old rules, and accepted before 1 April 2018 are to continue to apply until 1 April 2023 unless the customer and the company agree to vary the quotation.
- Where a legal agreement is already in place in relation to charges for site specific work carried out as part of an adoption, then the charges defined within that agreement remain valid for the life of the agreement unless the customer and the company agree to vary those charges.
- Charges relating to the old charging rules, will be adjusted by inflation if the quotation or legal agreement includes an appropriate provision for adjusting the charges.

# How did we calculate the charges?

## Water

### Site specific charges - new property connections

For new individual property connections, we analysed 12 months of new connections data. We categorised the costs into the new standard categories, along with the number of new meters (aligned with properties). This allowed us to develop the per meter (property) average costs.

For larger diameter connections (63mm and above), we undertook the same approach, but adjusted to consider those connections that were related to flats with internal meter, as these were increasing the unit costs.

The costs for additional pipework and barrier pipe for contaminated land closely correlate to the direct costs in proving these activities.

Traffic management costs were developed by using a selection of traffic management costs and building up a unit average. There was a high degree of cost fluctuation within this area. We will continue to collect data to ensure that this remains as representative as possible.

### Site specific charges - water mains

The charges for laying new water mains were derived by analysing about 60 historic projects to develop all-inclusive unit charges for mains laying activities. For each pipe size we recorded total meterage and how many valves and hydrants were present. This allowed us to calculate a unit charge per meter.

Connections in most cases are a standard operation and the charges are based upon a bottom-up estimate. The charges include installation of a valve and hydrant per connection, so the same charge will apply to different classes of customer.

Meters and pressure reducing valves are based on a bottom-up estimate. These include for a bypass.

The costs for additional pipework and barrier pipe for contaminated land closely correlate to the direct costs in providing these activities.

Traffic management charges were developed by using a selection of traffic management costs and building up a unit average. There was a high degree of cost fluctuation within this area. We will continue to collect data to ensure that this remains as representative as possible.

Uplifts for project management, management of external constraints and administration costs are allied to the rates to ensure the charges cover all the costs associated with the provision of the infrastructure.

### Site specific charges - income offsets and asset payments

Income offsets have been simplified to a 12-year income allowance for the various property types. The income offset applicable is capped at the capital value of the project if it is higher. If the income offset is lower, the differential must be covered by the applicant.

Asset payments are worked out in reverse. The asset payment is calculated using the income offset, less any applicable non-contestable charges and any contestable work requested by the applicant. It uses the same 12-year income allowances as the basis for the calculation.

### **Network reinforcement – water infrastructure charge**

We reviewed our current five-year AMP6 expenditure (actual and forecast) and associated external contributions. This will continue to be our method of assessment of the charges on an annual basis.

Following this assessment, we overlaid our forecast investment for the next five years. This is higher than previously. With stability being a key principle within the new rules, £200 is the current assessment of a stable forward-looking charge. This charge could change in line with the principle that the charge will cover the costs over a rolling five-year period. As our PR19 planning process develops over the next 12 months we should be able to develop greater understanding and certainty around potential changes in the longer term.

## **Wastewater**

### **Site specific charges - new lateral drains and connection**

We very rarely construct new lateral drains and connections for our customers. This work is generally undertaken directly by applicants and their drainage contractors.

The charges that we have developed for laying pipes and manholes are derived from our supply chain and represent our closest view of the likely costs incurred in providing these services.

The costs for highways charges were developed by using the selection of historic costs and building up a unit average.

Traffic management costs and over pumping were derived from bottom-up estimates using supplier data.

Specialist dewatering and trench support costs were based on bottom-up estimates of the likely costs incurred for these activities.

### **Site specific charges – new sewers**

The charges for laying new sewers were categorised into three main areas – gravity pipe laying, manholes and rising main laying. Upper limits on pipe sizes and depths are included which should cover most activities that customers would request in this area.

The base construction rates are from our estimating database. These have then been uplifted to include design, surveys, land-entry, management costs and related administration. This allows for an all-inclusive charge that allows the customer to identify the total cost of an activity using information that they would likely possess or be able to estimate or make sensible assumptions around (for example metres or pipe, sizes, depths and number of manholes).

### **Site specific charges - income offsets**

Income offsets have been simplified to a 12-year income allowance for the various property types. The income offset applicable is capped at the capital value of the project if it is higher. If the income offset is lower, the differential must be covered by the applicant.

## Network reinforcement – wastewater infrastructure charge

We reviewed our current five-year AMP6 expenditure (actual and forecast) and associated external contributions. This will continue to be our method of assessment of the charges on an annual basis.

Following this assessment, we overlaid our forecast investment for the next five years. With stability being a key principle within the new rules, £550 (for developments of 20 or less properties) and £765 (for developments of more than 20 properties) is the current assessment of a stable forward-looking charge. This charge could change in line with the principle that the charge will cover the costs over a rolling five-year period. As our PR19 planning process develops over the next 12 months we should be able to have greater understanding and certainty around potential changes in the longer term.