

# Annual Charges Consultation

## New Connection Charging Arrangements 2024/2025

03 November 2023



YorkshireWater  
**you** Developer Services

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# Introduction

## Developer Services charges

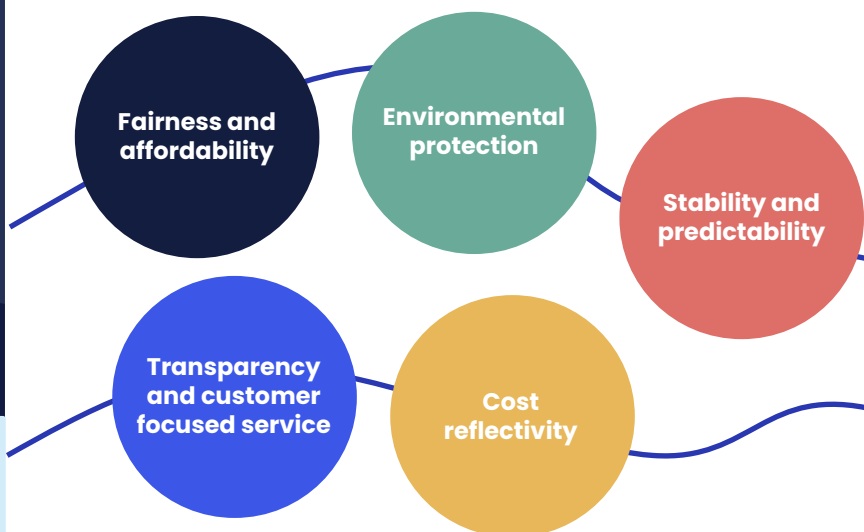
As we prepare our New Connection Charging Arrangements for 2024/2025, we're consulting on some proposed updates to our charges that will take effect from 1 April 2024.

## Tell us what you think

If you'd like to comment on any of the information in this pack, please [follow this link](#) to take part in our online survey. This survey will close on **10 November 2023** so that we can review any comments you have before we finalise our charges.

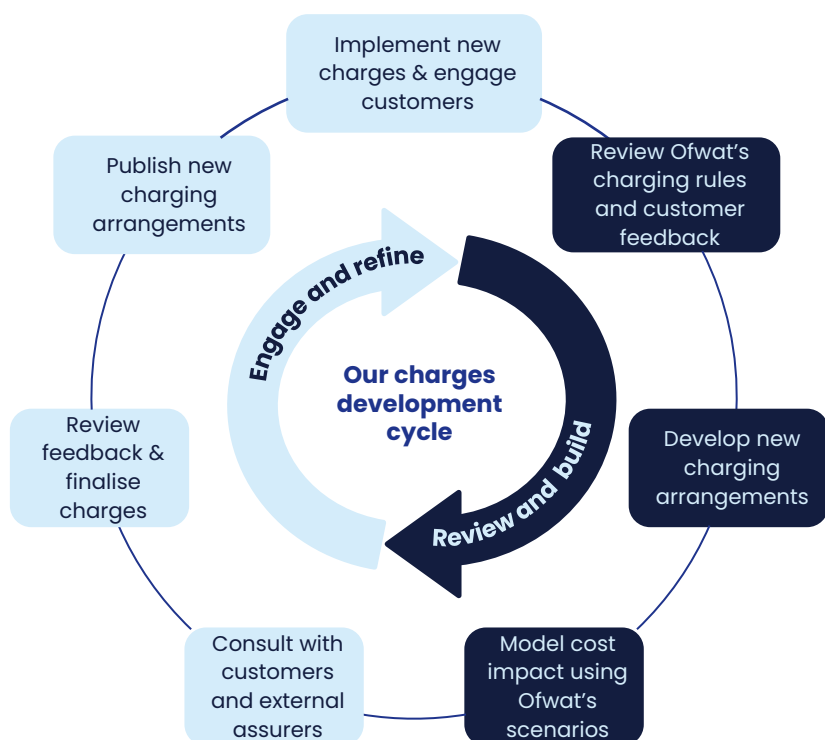
## Our approach to charges

Every year, the build-up of our charges is guided by **Ofwat's charging principles**:



We build our charges through a combination of 'top down' modelling (the costs of running Developer Services) and 'bottom up' modelling (the time and manpower costs of delivering each of our services).

As we develop our charges, we aim to build on Ofwat's foundational principles through a **cycle of continuous improvement**:



# Our forecast for inflation in 2024/25

## How do we measure inflation?

We measure inflation using the ONS' Consumer Prices Index including owner occupiers' housing costs (CPIH).

Each year, we increase the majority of our charges by the November rate of CPIH. This is published by the ONS in December. As of October 2023, we are forecasting the November 2023 rate of CPIH to be 4.64%.

**We're forecasting a 4.64% inflationary increase based on November 2023 CPIH.**

## Why do we use CPIH?

The Consumer Prices Index including owner occupiers' housing costs (CPIH) is the regulatory increase index used by Yorkshire Water.

It is also the increase mechanism written into our service-partner contract with Network Plus – the delivery team that carries out construction work on our behalf.

CPIH is generally considered one of the most comprehensive measures of inflation.

### Why the November 2023 rate?

We use the CPIH November rate to forecast annual costs in our business plan for the upcoming financial year (April – March). Our charging arrangements must therefore match this rate to ensure we're cost-reflective.

The November rate is published by the ONS in December and is the last official rate announced before our charges are finalised for the coming year.

### Which charges are uplifted by CPIH?

The majority of our water and sewerage application and administration fees increase in line with CPIH – although some fees may be subject to a different rate of increase to improve our cost reflectivity.

### What about construction charges?

Construction activities (like digging, pipe laying and connections) are carried out by our delivery team, Network Plus, based on a schedule of rates. This schedule of rates also increases in line with CPIH.

# Clean-water charges

**We're consulting on the following proposed updates to our charges based on three key objectives:**

## **Cost-reflective pricing**

Making sure our charges reflect the costs of our activities

## **Transparency & customer focus**

Providing more certainty upfront about our charges

## **Accuracy & completeness of our records**

Encouraging timely submissions of key information

## **New clean-water charges**

### **Internally metering apartments**

We're introducing a charge for the installation of internal meters in flats, as we don't currently charge for this activity. This will be added to applicable connection quotes.

### **Council fee for bagging off traffic lights**

The councils in our area charge us a fee for bagging off traffic lights, which we will begin adding to our quotes as applicable from 1 April 2024.

### **Checklist fee for revisits**

We do not currently charge an admin fee for processing the checklist for a revisit job (checklist C). We will be introducing one upfront, which will be in line with the fee for the initial checklist.

### **Recharge invoices**

We do not currently charge to produce an invoice for rechargeable work. We will be adding this new fee to the invoice we send for the relevant rechargeable work.

### **Copies of invoices**

We do not currently charge a fee for providing copies of invoices. We will be bringing in an upfront fee to cover this to be cost-reflective.

### **Non-notification fee for late meter details (self-lay)**

Meter details for newly installed water meters on a self-lay site must be sent to us within 1 day for a commercial property or 5 days for a domestic property. We will be charging a non-notification fee where this timeline is not adhered to.

### **Additional site visit fees for non mains related work**

A standard survey fee is included in the application fee for service connections, but we don't currently apply this to any additional site visits requested outside of the requote process. We will be applying this upfront fee in the new charging year.

### **Pre-chlorinated pipe for on-site manifolds**

From 1 April 2024, we will offer to provide and lay pre-chlorinated pipe (63-90mm) at a fixed charge for manifold connections on new mains schemes where the proposed road is between the new main and the manifold chamber. This work will not include any excavation or reinstatement.

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## **Changes to existing clean-water charges**

### **Discounted fee for renewal of pre-planning and POC enquiries**

We are introducing a discounted fee for expired pre-planning enquiries and point of connection (POC) enquiries where there have been no changes. This will be lower than the initial admin fee and you will no longer need to resubmit your enquiry form. Please note: any changes to the site or the details originally provided will require a new enquiry submission.

### **One upfront re-quote fee**

We'd like to simplify our requote request form so there is one upfront fee rather than four different fees invoiced after submission depending on the type of request.

### **Charging the minor variation fee upfront**

We currently invoice an admin fee for requests to make minor variations to a self-lay agreement. We're proposing to charge this fee upfront on submission of the request form.

### **Minor design amendments**

We will allow up to three minor amendments to be made to a mains scheme design at no additional charge provided that the changes don't require re-costing or re-approval. Any substantive changes will continue to require a re-design/re-approval request and payment of a fee.

### **Self-lay admin fee per plot**

We'd like to introduce a per-plot admin fee for self-lay sites. This would replace the admin fees currently charged for bulk meter requests and meter details reporting and reduce the number of invoices.



# Sewerage charges

**We're consulting on the following proposed updates to our charges based on three key objectives:**

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## **New sewerage charges**

### **Copy of S185 minor alteration agreement**

For additional copies of an S185 minor alteration agreement, we are introducing a new admin fee to cover the time it takes to produce and redistribute.

### **Copy of S106 sewer connection approval certificate**

For additional copies of an S106 certificate, there will be an admin fee to cover the time it takes to produce and redistribute.

## **Changes to existing sewerage charges**

### **Discounted admin fee for renewal of NAV POD enquiries**

We are introducing a discounted fee for expired NAV point of discharge (POD) enquiries where there have been no changes. This will be lower than the initial admin fee and you will no longer need to resubmit your enquiry form. Please note: any changes to the site or the details originally provided will require a new enquiry submission.

### **S98 sewer requisition application fee**

Last year we introduced an S98 (requisition) application fee of £500 and advised that this would be brought in line with our S104 (adoption) application fee the following year. This means that from 1 April 2024, the S98 fee will increase to £764 so that we are cost-reflective.

### **Bond amount**

Due to the rising costs of construction, where a bond is required, we will now require a minimum of £10,000 (rather than the existing £5,000). The percentage taken will remain at 10% for S104 (adoptions) and 100% for S185 (diversions).

### **Clarification on sewer build-over agreement legal fees**

Where a sewer build-over agreement is required, any applicable legal fees are invoiced separately by Yorkshire Water Legal Services. This continues to be the case, but we will now detail this within our published Charging Arrangements from 1 April 2024.



# Clean-water policy updates

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## Changes to clean-water charging policies

### **Recharging costs**

We will introduce a published policy as part of our charges book that allows us to recover the costs of any additional charges and council fees we incur from rebooking traffic management and street works due to a cancellation.

### **New time limit on works**

Our current policy is that you must pay and book in any required works before the expiration of your quote. We will be introducing an additional time limit for the works to be completed within 3 months of this expiration date. If this limit is exceeded, the work request will be sent back, and a re-quote or refund will be offered.

### **Costing per mains phase**

We are introducing a new way of charging for main schemes that is cost-reflective and allows you to budget in advance. We will provide estimates upfront that cover the cost of the whole site at current prices, but with a caveat that prices may change depending on the year the work is carried out. Please note: we will continue to issue quotes in real time according to the phased plan and quotes will reflect prices at the current charging year.