



# Developer Day Charges 2024/2025

**Building a Stronger, Greener and Healthier North West**

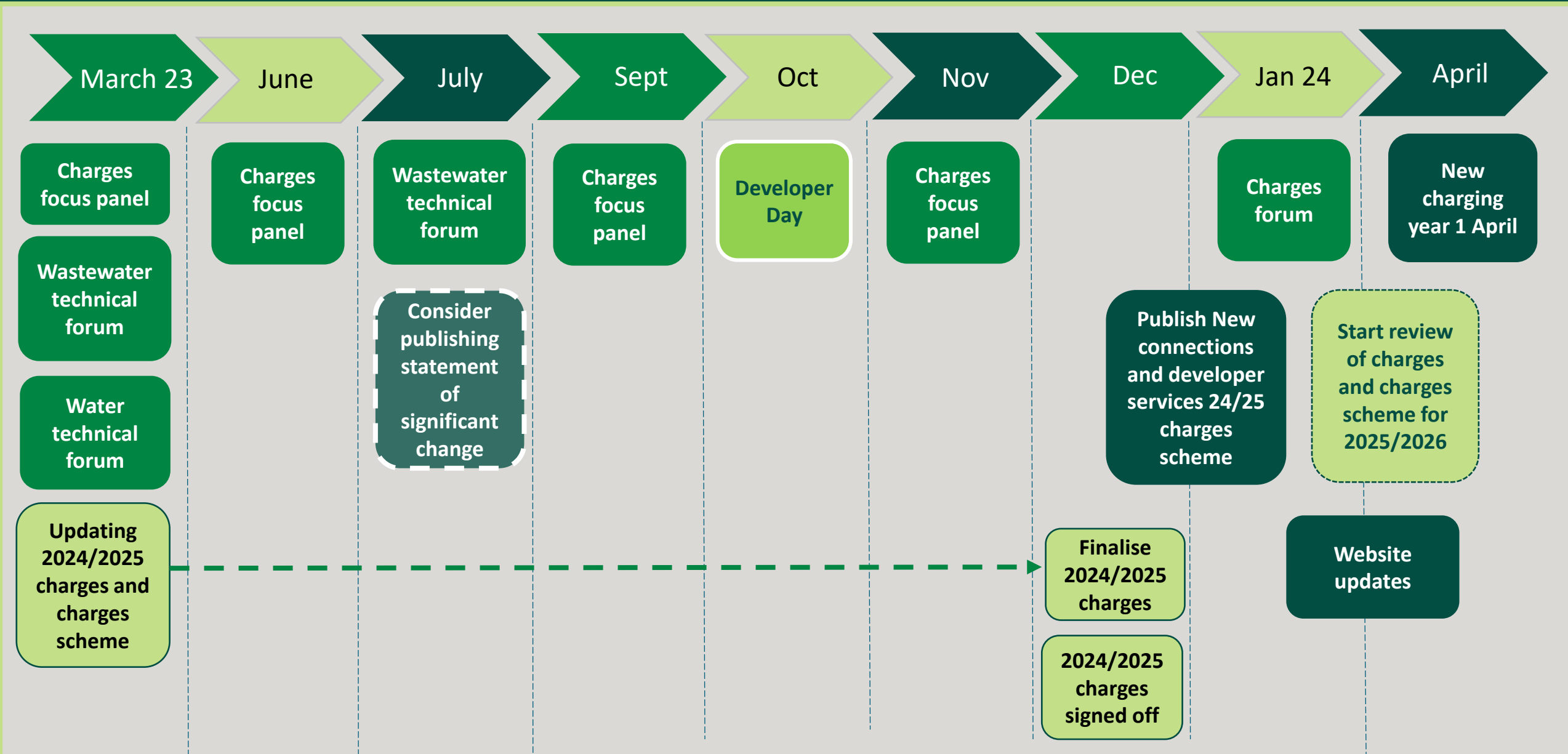
# Agenda



- 1 Welcome
- 2 Charges timeline
- 3 What's new
- 4 What's changing
- 5 Income offset
- 6 Environmental incentives
- 7 Any questions

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# Charges Timeline



# Charges from April 2024

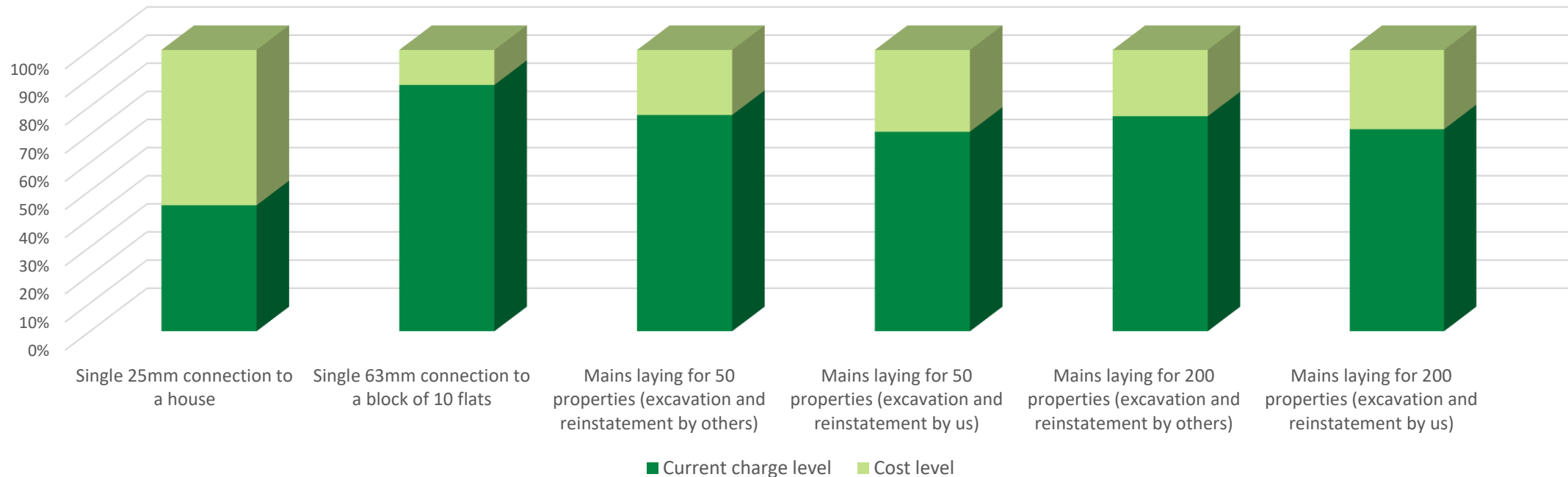
# What's changing?

## Transition charges to ensure we recover costs by April 2025.

To provide bill stability, we have been transitioning charges to ensure we recover costs by 2025. Costs have been going up quicker than we think is reasonable to pass onto developers and SLPs.

We have been improving our processes and granularity of charges to provide greater transparency and ensure we recover costs appropriately. We have also been looking at expanding competition further to allow SLPs to undertake more work in our area.

The chart below illustrates the scale of some of the increases required to ensure we recover costs by 1 April 2025.



It should be noted that in managing the impact of increased site-specific charges for developers over a number of years to 1 April 2025, it will coincide with the removal of income offset and any potential changes that may be required to infrastructure charges from 1 April 2025.

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# Proposed new from 1 April 2024

Looking at increasing  
contestable  
connections to  
110mm

Environmental incentives  
scheme

Charges for variation, novation  
and termination of agreements

Charge for  
point of  
connection  
enquiries

Charge for pre-  
development  
enquiries

NAV specific  
charges

Copies of  
vesting  
certificates  
charge



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# What's changing from 1 April 2024

## Charges – Building Water (including NAV sites)

Currently two options for building water charges

1. Premises with a connection up to and including 63mm - £27.50 per unit, or
2. Metered supply - Standard measured charges



For new schemes from 1 April 2024, water used during development must be from either

- a new metered temporary connection,
- the utilisation of an existing metered supply, or
- through an approved hired standpipe

**\*Water recorded on meters fitted to individual premises on the development site will be billed to the Developer**

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# What's changed

## Shared (bulk/common) meters



Shared meters will only be allowed in the following circumstances

### Shared hot water supplies

Where properties receive hot water from a shared hot water supply (wholly HH or NHH)

### Student accommodation

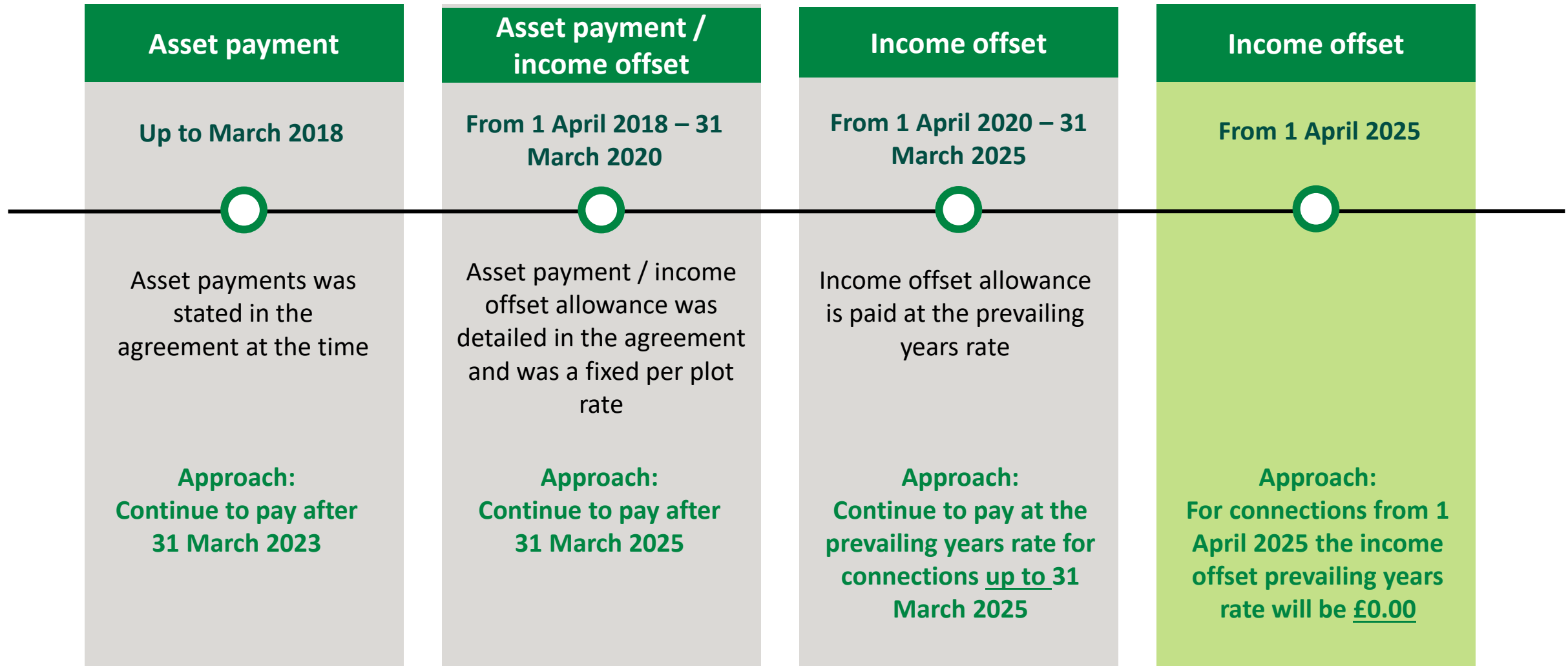
On campus university owned student accommodation

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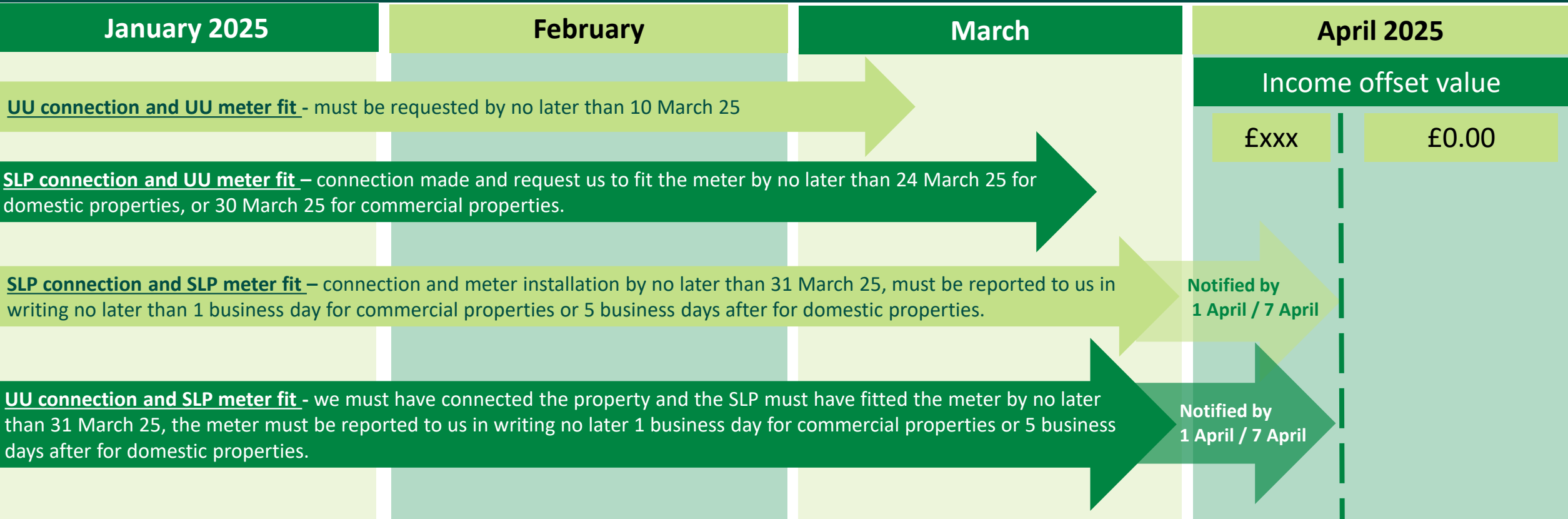
# Income Offset / asset payments

Income offset allowance will be coming to an end from 1 April 2025



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# Income offset – proposed transition



There will be no change to the way infrastructure credits are applied. These will be given for the first relevant number of properties that are connected.

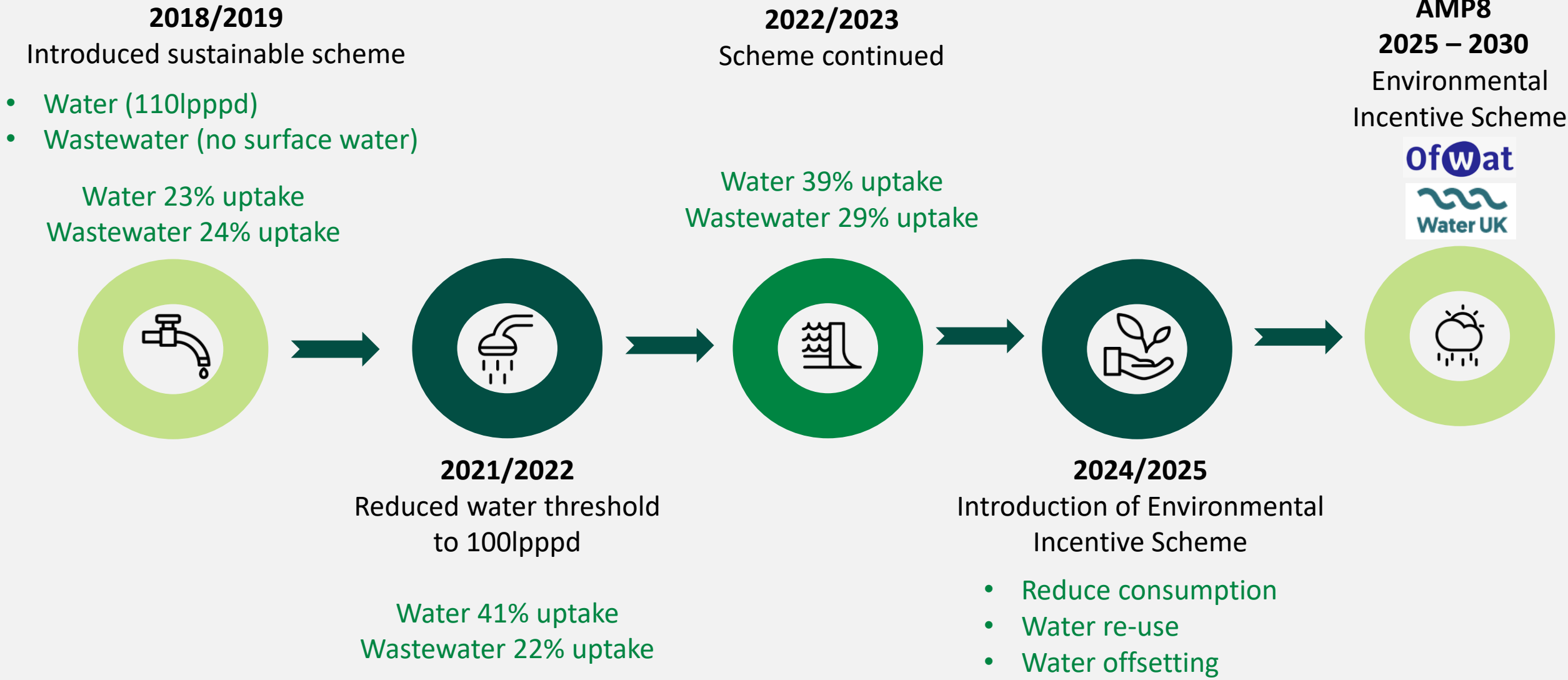
All works will be subject to UU inspection, where the property is found to be not connected as stated or not ready for connection, income offset will be paid at the prevailing years rate of £0

**Q.** Do you understand how the removal of income offset will impact your developments from 1 April 2025?

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# Environmental Incentive Scheme from 1 April 2024

# Environmental Incentives



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# Proposed Environmental Incentive Scheme

To be eligible to participate in our water and wastewater environmental incentive scheme a water meter must be installed in the new build property. The incentives will be paid per qualifying property.



**Q. Which tiers will you be aiming to achieve?**

## Tier 1: Consumption Reduction

**Eligibility**

1. Water efficiency 100 lpppd and flow regulator (14l per minute), and/or
2. Property level SuDS (installation of water butt/raised planter/rain garden)

**Incentive**  
Water £  
Wastewater £

## Tier 2: Water Reuse

Achieve all of tier 1 to progress to tier 2

**Eligibility**

3. Install water reuse technology for toilets (e.g., rainwater harvesting or grey water re-use), and/or
4. No surface water connection to sewer, and/or
5. Install permeable surfaces

**Incentive**  
Water £  
Wastewater £  
Wastewater £

## Tier 3: Water Offsetting

Achieve Tier 1 and Tier 2 (water re-use and one of the two wastewater tier 2)

**Eligibility**

6. Offsetting the water demand of your new development through fixing internal leaks and retrofitting of water meters and water saving devices across existing homes.

**Incentive**  
£ / reputational ?

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# Environmental Incentive Scheme – how it would work

You will still need to apply upfront as part of your connection application\*

Full infrastructure charges will be payable

You will need to evidence via a form hosted on VYN eligibility for each property on the scheme

Environmental incentives will be paid to the Developer once evidence has been verified

We will continue with our current audits

Schemes signed up to prior to 1 April 24 will not be eligible for the new scheme but will continue on the current scheme

\*not required to send upfront specification sheets, but if requested must provide within 5 working days

**Q. How can we support you with the environmental incentive scheme?**

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# How the scheme is funded.

Current water and wastewater sustainable scheme is “self-funding” within Developer Services. With charges set to recover the costs of network reinforcement (lower reduced rate infrastructure charges for sustainable development to reflect lower demand placed on our network)



## Consultation on environmental incentives to support sustainable new homes.

*“We are consulting on changes to our charging rules in the form of a common framework for water companies to offer stronger and more standardised environmental incentives to developers to encourage them to build new homes that are more water efficient and with sustainable drainage”*

**The closing date for the consultation was 1 August 2023.**

## Ofwat outlined basis of how environmental incentives will be funded for 2025 – 2030:

*“any discount will be funded by other developer services customers (so they are revenue-neutral within developer services)”*

Current expectation is that environmental incentives will be applied as either a discount (sustainable developments) or surcharge (non-sustainable developments)

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