



United Utilities Charges Forum

February 2024

Dovestone Reservoir

Agenda



- Welcome
- Meet the team
- Charges timeline
- Charges focus panel
- Charges scheme
- Charges 2024/2025
- Income offset
- Environmental incentive scheme
- Future charges
- Any questions



Meet the Team

Scott Green
Head of Developer Services and Metering

Graham Morley
Strategy and Compliance
Manager

Vacancy
Customer Operations Delivery
Manager
(Developer, SLP and NAV)

Colin Dermody
Customer Operations Delivery
Manager
(Homeowners and builders)

Clare Lenoan
Charges and Tariffs Manager
Strategy, Policy & Regulation

Ian Booth
Compliance and Improvement
Manager

Samantha Mottram
Developer Relationship Manager

Dominic Baglee
Customer Area Manager

Stuart Edwards
Project Delivery Manager
(Sustainable Developments)

Steve Marsh
Customer Area Manager water

Debbie McNish
Customer Area Manager

Andrew Smith
Customer Area Manager water

Teresa Helm
Developer Services Technical
Manager (water)

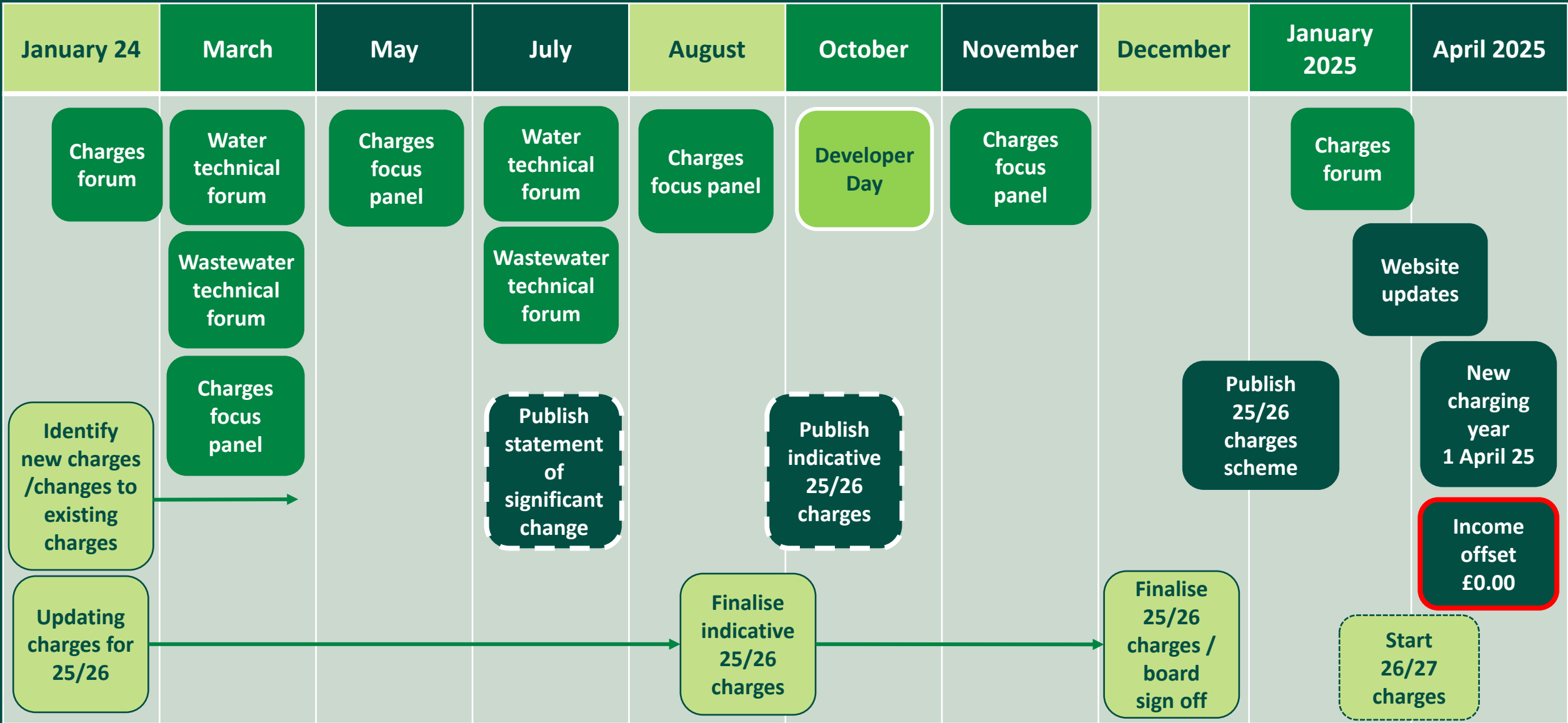
Craig Daniels
Customer Area Manager wastewater

Daniel McDermott
Customer Area Manager wastewater



2025/2026 Charges Timeline

Potential publications



Charges panel

The charges panel meet a number of times throughout the year. The aim of the panel is to:



Have productive discussions regarding the development of our charges scheme

Develop ideas, improvements or additions to the charges scheme

Test proposals and ideas before roll out to wider stakeholders

Generate constructive feedback on our charges scheme

We will be refreshing our charges panel and anyone wishing to be a part of the panel will be able to apply, we will be sending out the application form over the coming weeks.

Join the conversation

Head to www.slido.com and enter the code UUCharges

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Developer Services charges from 2025



2025 - 2030 new connections charging framework to facilitate the development of competition in the developer services market

Submitted business plan, final determination published December 2024

2025/2026 will reflect final year of phasing in administration and construction charges to mitigate the impact of the changes

Substantial increase to charges moving to 2025-2030 new connections charging framework

We will engage throughout the year on what these changes may look like

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Developer Services charges 2024/2025

New connections and developer services charges scheme 2024/2025

Our website has been updated with the New connections and developer services charges scheme for 2024/2025

unitedutilities.com/builders-developers/guidance/our-charges/new-connections-and-developer-services/

The charges scheme is applicable from 1 April 2024 – 31 March 2025

All application forms and literature will be updated on our website by 1 April 2024

unitedutilities.com/builders-developers/guidance/application-forms/application-forms-guidance/



Water for the North West

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Charges 2024/2025 – new from 1 April 2024



Increase in size of contestable connections to 110mm



Self-lay novation and termination of an agreement fee
£294



Self-lay variation of an agreement fee
£127



NAV site served status
£137

NAV bulk supply application fee
£560



Copy documents - vesting certificates
£23



Environmental incentives

New tiered incentive scheme

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Charges 2024/2025 – impact on charges



Charges for 2024/25 have been subject to a forward looking cost reflectivity review and the impact of this review on customers has been assessed.



Where this review indicated that a charge should be subject to a material change, particularly where this involves an increase to a charge, we considered options to mitigate the impact of these changes.



We determined that it would be appropriate to phase-in the charges over the next two charging years (2024/25 and 2025/26) so that the majority of developer customers would not experience an overall bill increase of more than 10% in 2024/25



We expect around 70% of developer customers will experience overall bill increases of no more than 10% in 2024/25.

Charges 2024/2025 - Impact on charges scheme examples

The tables below summarises the impact of the changes in charges on each of the published scheme examples from 2023/2024 to 2024/2025 (excluding income offset)

Industry published scenarios (24/25) (Excluding income offset)	PE rate 24/25	% change 23/24	Barrier Pipe rate 24/25	% change 23/24	SLP 24/25	% change 23/24	NAV 24/25	% change 23/24
Scenario 1: Single connection -house (existing main)	£ 3,001	24.4%	£ 2,989	24.4%	£ 1,191	21.5%	n/a	n/a
Scenario 2: Single connection - block of flats (existing main)	£ 13,701	4.5%	£ 13,791	4.6%	£ 7,122	-0.4%	£ 7,029	13.6%
Scenario 3: Medium housing development (excavation / reinstatement by others)	£100,737	11.6%	£ 116,995	14.9%	£ 42,783	9.6%	£ 41,376	12.4%
Scenario 4: Medium housing development (excavation / reinstatement by Water Company)	£140,607	12.9%	£ 155,175	13.1%	£ 42,783	9.6%	£ 41,376	8.4%
Scenario 5: Large housing development (excavation / reinstatement by others)	£366,912	11.4%	£ 430,498	17.3%	£149,221	10.7%	£144,964	11.2%
Scenario 6: Large housing development (excavation / reinstatement by Water Company)	£501,652	12.7%	£ 569,958	13.0%	£149,221	8.2%	£144,964	11.2%

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Charges 2024/2025 – Main laying quotes

SLP main laying and statutory mains requisition scheme applications.

The years charges your quote will be based on will be determined by the date we receive your **complete** application.

Mains requisitions	Quote on 2023/2024 Charges	Quote on 2024/2025 Charges
Complete application received on or before 14 March 2024	✓	X
Complete application received on or after 15 March 2024	X	✓

If you send an incomplete application prior to 14 March 2024 and only send the information required to complete the application after 15 March, your quote will be based on 2024/2025 charges.

There is no change to the process for connections off existing mains.

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Charges 2024/2025



Infrastructure charge

Water

£302

Wastewater

£320

Infrastructure charge for sustainable developments*

£30

£32

*Only applicable for quotes based on 2023/2024 charges or earlier

Income offset will continue to be paid at the prevailing years rate

Income offset 1 April 2024 – 31 March 2025 **£715 per plot**

From 1 April 2025 income offset will be £0.00 (zero)



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Shared (bulk/common) meters



Shared meters allowed from 1 April 2024

- All student accommodation (on and off campus)
- Wholly household or wholly non-household premises with a shared hot water supply

Prior to the quote being issued a credit check will need to be completed and the company must pass this prior to a shared meter being allowed.

Prior to the connection being made, the provision for individual meters to be fitted in the future must be confirmed and a shared meter agreement must be signed and returned to us.

Where premises are self-contained with **NO** shared hot water supply, they must be individually metered.

The shared meter installed **CANNOT** supply both household and non-household premises. The household and non-household parts of the premises **must** be metered separately.

Charges 2024/2025 – what's changed

Water used during development (building water)

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 metered standpipe.

If there is no existing supply to be used, you will need to apply for a temporary connection or an approved hired standpipe

(unitedutilities.com/help-and-support/your-water-supply/your-pipes/standpipes/)

Where you request a new temporary connection or are using an existing metered supply, you will be billed for the consumption recorded on the meter by the relevant retailer.

Developers will be liable for consumption on individual meters to premises until they become occupied.

For schemes based on a prior years charges, the fixed charge per unit will continue to apply, **for 24/25 - £30**.



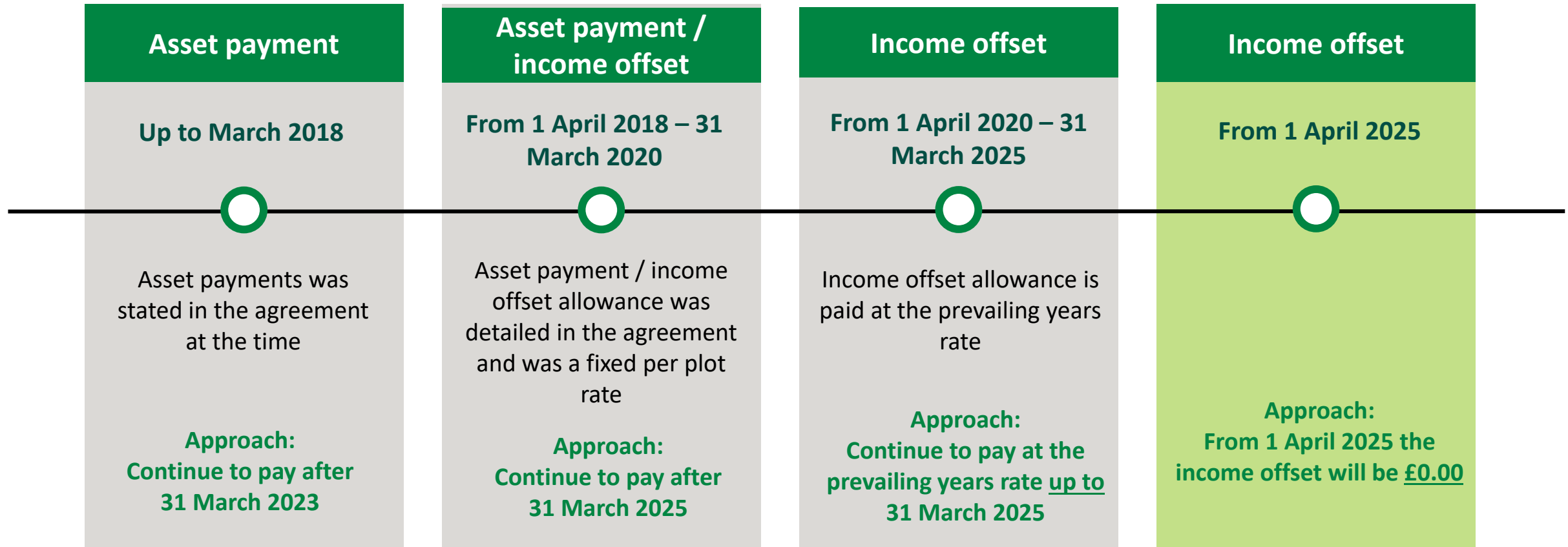
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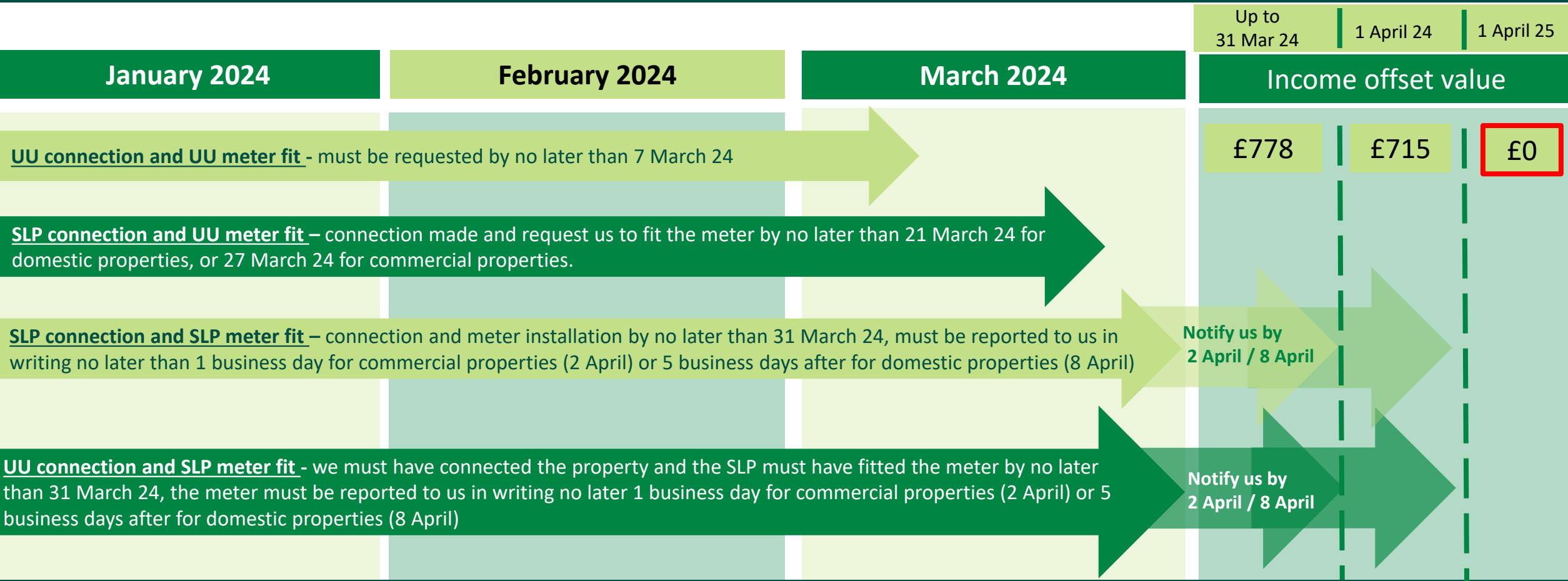
Income Offset / asset payments

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



Asset payment / income offset still to be paid		
Up to 31/03/18	01/04/18 – 31/03/20	01/04/20 – 31/03/25
Outstanding fixed asset value payments	Outstanding fixed asset payment / income offset payments	Income offset
£441,561	£3,730,995	Prevailing years rate

Income offset - transition 2023/2024 to 2024/2025



No change to current process for applying infrastructure credits, these will continue to be given for the first relevant number of properties that are connected

Income offset will be paid in line with the water infrastructure charge. Each individual premise must have a connection with a live supply and meter installed.

All works will be subject to UU inspection.

Environmental Incentives Scheme

Environmental Incentives Scheme

New three tier environmental incentive scheme that replaces sustainable infrastructure charges for schemes quoted and signed up to based on 24/25 charges.

Tier 1

Water – property is built to a design consumption rate of 100 litres per person per day or less **plus** installation of a flow regulator which limits the flow in to the premises to 14 litres per minute

£272

Wastewater – installation of a water butt or a raised rain planter with a capacity of at least 200 litres connected to the properties main roof drainage, or a rain garden the size of 2% - 4% of the properties main roof, that drains to the rain garden.

£20

Tier 2 (achieve all of tier 1 to be eligible for tier 2)

Water re-use – installation of rainwater harvesting or greywater re-use as the primary water source for all toilets, as a minimum, within the property

£400

No surface water connection – Where the property has no direct or indirect connection for surface water drainage

£288

Permeable surfaces – installation of permeable surfaces to the properties driveway and paths

£150

Tier 3 (achieve all of tier 1 and the water reuse and at least one of the wastewater of tier 2 to be eligible for tier 3)

Water offsetting – We carry out 6 audits of existing properties for each new build property you are applying for tier 3 for and where we can, fix leaks, install water savings devices and install a water meter. The water savings from doing this should offset the demand from the new build property.

Cost to Developer
£553 plus VAT

Incentive £664

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Environmental Incentives Scheme – Application

To be eligible for the scheme the premises must have a water meter fitted.


How to apply

- Apply upfront by ticking the box on the water services application form and complete the environmental incentives spreadsheet

Developer Services Environmental Incentives
 Please complete the below table to indicate the incentives you wish each plot on your development to be considered eligible for

By submitting this form you agree to the terms and conditions as stated on UU Website www.unitedutilities.com/builders-developers/guidance/our-charges/new-connections-and-developer-services/

I understand a VYN audit will need to be submitted for each plot and these will be confirmed pass or fail by UU



Plot Number	Tier 1 Water (100lppd and flow regulator)	Tier 1 Wastewater (water butt/rain planter/rain garden)	Tier 2 Surface Water Drainage (permeable surfaces)	Tier 2 Rainwater Harvesting or Greywater Reuse	Tier 2 Surface Water Discharge (does not return to UU sewer ¹)	Tier 3 Water Offsetting
1	Yes	None	No	None	Connected	No
2	Yes	None	No	None	Connected	No
3	Yes	Water butt	No	None	Not connected	No
4	Yes	Raised planter	Yes	Rain water harvesting	Connected	Yes
5	Yes	Rain garden	No	Rain water harvesting	Not connected	Yes

- Submit water calculator and other required supporting information
- We will review the application. The spreadsheet will be sent back confirming incentives, alongside the terms and conditions which need to be signed and returned to us (without the signed terms and conditions, no plots on the development will be eligible for any incentives)

If a scheme was signed up to based on 2023/2024 charges or earlier, the sustainable water and/or wastewater infrastructure charges will apply.

Full infrastructure charges will apply to all quotes based on 2024/2025 charges.

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Environmental Incentives Scheme – Submitting Vyn and incentive payment

When the property is complete

- You will need to complete a Vyn for each plot on the environmental incentive scheme showing the property has the devices installed, as applied for
- We will validate the Vyn information before any incentive payment is made and may come out and audit the plot once the Vyn has been submitted to verify the information
- Any incentive payments due will be paid to the Developer

Guidance and the video shown today will be available on our website.

We plan on holding sessions over teams to help with carrying out your Vyn and also answer any questions you may have.



?

Would you find a regular teams session helpful?

?

How often would you want these teams sessions to happen?

You can also contact us via your usual method

Full terms and conditions will be available on our website unitedutilities.com/builders-developers/guidance/our-charges/new-connections-and-developer-services/

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Environmental Incentives Scheme - process

You make the application at the same time as the water services application and send us the completed spreadsheet

We review your application and send back to you the spreadsheet along with our terms and conditions

You send us back the signed terms and conditions

You complete the property, fitting the devices as applied for

You carry out a Vyn for each plot on the environmental incentive scheme

We validate the Vyn information

We pay any incentive payments due to you

Environmental Incentives Scheme transition

<u>Connections off existing mains</u>		31 March 2024	1 April 2024	30 June 2024
Complete application* received 1 February – 3 March 2024	Water required on or before 31 March 2024	Quote accepted	Eligible for 23/24 charges and sustainability scheme	Work must begin by 30 June 24 or a new quote is required based on 24/25 charges and environmental incentive scheme
	Quote 23/24 charges and sustainability scheme	Quote not accepted	New quote required based on 24/25 charges and environmental incentive scheme	New quote valid until 31 March 2025
	Water required on or after 1 April 2024	N/A	Only eligible for the 24/25 charges and environmental incentive scheme	Quote valid until 31 March 2025
Complete application received 4 March 24 onwards	Quote 24/25 charges and environmental incentive scheme	N/A	Only eligible for the 24/25 charges and environmental incentive scheme	Quote valid until 31 March 2025

*For schemes applying for 23/24 sustainability scheme, complete application means including all water calculators and accurate relevant specification sheets

<u>SLP main laying and Statutory mains requisitions</u>	2023/2024 charges and sustainability scheme	2024/2025 charges and environmental incentive scheme
Complete application received on or before 14 March 2024	✓	X
Complete application received 15 March 2024 onwards	X	✓

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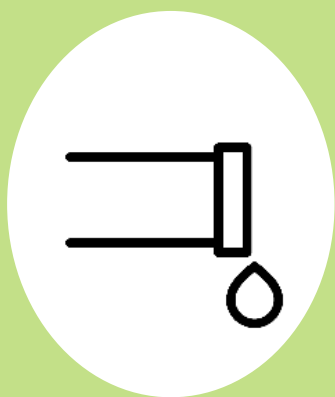
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Future charges - 2025 onwards

What will impact future charges?



Substantial increase to charges moving to 2025-2030 new connections charging framework



Infrastructure charges 2025-2030 significant Network Reinforcement planned to support new development



New contract from 2025



Removal of income offset 1 April 2025



Transition of sustainable infrastructure charges



Introduction of an environmental surcharge



Changes to environmental incentives scheme

