

infrastructure and network charges

what are infrastructure charges?

For many years the Government and the water industry have been concerned that the additional costs arising from new customers connecting to the water supply have been spread across all of our customers, both existing and new. It was argued that this was unfair to existing customers and the Developer should meet the costs caused by new developments.

The legislators changed this in the Water Industry Act of 1991 and have introduced the infrastructure charge. This is paid by all developers and builders needing a new connection to the water network, where the water is used for domestic purposes (i.e. water for drinking, washing, cooking, central heating and sanitary purposes). Where water is supplied for non-domestic purposes, a Network charge is payable.

Infrastructure charges help pay for developing our water network to meet the increasing demand for water from newly connected premises. The charges are monitored independently by the Director General of Water Services (OFWAT).

There are two types of infrastructure charge:

- Water infrastructure charges which pay for enhancements to the water distribution network such as upgrading pipes, increasing storage facilities and improving and developing pumping and treatment works.
- Sewerage infrastructure charges which contribute to the cost of upgrading and improving the sewerage infrastructure.

who needs to pay them?

- All developers and builders connecting to the water network where water is used for domestic purposes are required to pay water infrastructure charges. Sewerage infrastructure charges are payable for all new domestic sewerage connections (excluding trade waste). There is no charge for a surface water only connection.
- Our standard infrastructure charges for water and sewerage are shown on our explanation sheet entitled details of costs. Infrastructure charges are additional to the costs of the water main and individual service connections.

how are the charges applied?

The standard infrastructure charge applies to:

- New houses and flats
- New commercial and industrial properties up to and including 25mm outside diameter
- Redevelopment of an existing non-domestic premise where water is provided totally or in part for domestic purposes by a supply pipe up to and including 25mm outside diameter (20mm internal diameter)
- Redevelopment of existing premises into additional dwellings
- First time connection of an existing property

Property developments that fall outside these categories are subject to non-standard charges.

You will not have to pay infrastructure charges if the service is to be used for the following purposes:

- Fire fighting
- Field supply to cattle trough
- Temporary supply for building purposes
- Watering point, outside tap or bin store

We will also reduce the total infrastructure charge for a redeveloped site, if there were any properties connected to the water main or wastewater system during the five years before the redevelopment.

non standard charges and the relevant multiplier (RM)

The relevant multiplier is a way of working out infrastructure charges for particular types of property and it applies to both water and sewerage infrastructure charges. There are two types of development where the RM applies.

These are:

- Domestic premises with a single, shared supply pipe and which are subject to a "common billing agreement". This may include sheltered housing or high rise flats.
- Non-domestic premises where the supply pipe is larger than the standard size for a house, which at present is 25mm outside diameter (20mm internal diameter).

how the RM is calculated

Each water fitting (WC, bath, basin, shower, sink etc.) is given a 'loading unit' based upon the amount of water it uses. The average number of units per property has been determined as 24 and we use this as the basis for calculating the RM for each property on a development where the RM applies.

We add up all the loading units for all the water fittings on a development. We divide this by the number of properties and divide the answer by 24 (the average loading units). This gives us the RM for each property.

Calculations:

	Loading units (A)	Example 1 40 bed Hotel	Number of fittings (B)	Total loading units (A) x (B)	Example 2 20 sheltered flats, shared facilities	Total loading units (B)	(A) x (B)
WC flushing system	2		40	80		6	12
Wash basin in a house	1.5						
Wash basin elsewhere	3		40	120		6	18
Bath 20mm taps	10		20	200		6	60
Bath Taps larger than 20mm	22						
Shower	3		40	120		6	18
Sink – 15mm taps	3					2	6
Sink taps larger than 15mm	5		4	20			
Spray taps	0.5					1	0.5
Bidet	1.5		40	60			
Domestic washing machine	3						
Domestic dishwasher	3						
Domestic waste disposal unit	3						
Outside tap	3		2	6		1	3
Communal washing machine	10		2	20		1	10
Communal dishwasher	10		2	20		1	10
Communal waste disposal unit	10		2	20			
Total loading units				666			137.5

example 1 - Total loading units divided by No of properties, divided by 24 (average), times the average charge.

$$666 / 1 = 666 / 24 = 27.75$$

The RM is 27.75

$$\begin{aligned} \text{Water} &= 27.75 \times \text{standard infrastructure charge} \\ \text{Sewerage} &= 27.75 \times \text{standard infrastructure charge} \end{aligned}$$

example 2 - Total loading units divided by No of properties, divided by 24 (average), times the average charge.

$$137.5 / 20 = 6.87 / 24 = 0.29$$

The RM is 0.29

$$\begin{aligned} \text{Water (per flat)} &= 0.29 \times \text{standard infrastructure charge} \\ \text{Sewerage (per flat)} &= 0.29 \times \text{standard infrastructure charge} \end{aligned}$$

call the expert

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