

DEVELOPER SERVICES - VAT CHARGES

This high level summary is based on correspondence between Water UK and HMRC at 31 March 2023.

It is for guidance only, for full details of VAT on construction services please refer to the HMRC website and

[HMRC VAT Notice 708 - Buildings and Construction](#)

Key	
S/R	VAT Standard Rate
R/R	VAT Reduced Rate
Z/R	VAT Zero rate
OTS	VAT Outside of Scope
WSC	Construction work undertaken by Water & Sewerage Company (i.e. SWW)

Ref	Developer Services Charges	VAT Default	Qualifying New Build VAT	Qualifying Conversion or Renovation VAT
	Water - Description and Charges			
1	Pre-development enquiries - water	S/R	S/R	S/R
2	Connection charges (S45 and S55)			
2a	Pre-commencement work			
	Initial application / quotation (+ requotation) / processing fees	S/R	S/R	S/R
2b	WSC carries out the work			
	Connection charge	S/R	Z/R	L/R
	Other cost elements of connection:			
	Traffic management / road closure costs	S/R	Z/R	L/R
	Additional site visits or resurvey	S/R	Z/R	L/R
	Aborted site visits	S/R	Z/R	L/R
	Additional water regulations inspection	S/R	Z/R	L/R
	Water meter installation	S/R	Z/R	L/R
	Chlorination and pressure test	S/R	Z/R	L/R
	Administration tasks related to connection charges	S/R	Z/R	L/R
	Abandonment of service connections	S/R	Z/R	L/R
	Administration fee for calculation of costs on an actual cost basis	S/R	Z/R	L/R
	Cancelled new connection administration fee	S/R	S/R	S/R
	Replacement or repair of boundary box	S/R	S/R	S/R
2c	Developer carries out the work (i.e. Self-lay)			
	Application / administration / inspection / site visits / sampling fees	OTS	OTS	OTS
	WSC provision of goods / services:			
	Water meter provision	OTS	OTS	OTS
3	Provision of a water main			
3a	Pre-commencement work			
	Initial application / quotation (+ requotation) / processing fees	S/R	S/R	S/R
	Amendment of terms and conditions	S/R	S/R	S/R
	Design fee / redesign fee	S/R	S/R	S/R
3b	WSC carries out the work (S41)			
	Construction charges	S/R	Z/R	L/R
	Other cost elements of construction:			
	Traffic management / road closure costs	S/R	Z/R	L/R
	Additional site visits	S/R	Z/R	L/R
	Aborted site visits	S/R	Z/R	L/R
	Administration charge related to construction	S/R	Z/R	L/R
	Remobilisation	S/R	Z/R	L/R
3c	Developer lays the main (i.e. Self-lay)			
	Application / administration / inspection / site visits / sampling fees	OTS	OTS	OTS
	Design vetting fee	OTS	OTS	OTS
	Legal agreement fee	OTS	OTS	OTS
	Amendment of terms and conditions	OTS	OTS	OTS
	Site visits including CCTV survey	OTS	OTS	OTS
	Inspection fee	OTS	OTS	OTS
	Administration charge	OTS	OTS	OTS
	WSC provision of services:			
	Connection of self-laid water main to existing water main network	S/R	Z/R	L/R
	Asset payment (up to 01/04/2020)	S/R	S/R	S/R
	Income offset (from 01/04/2020)	OTS		
4	Mains diversion (S185)			
4a	Pre-commencement work			
	Application / quotation / processing fee	S/R	S/R	S/R
	Appraisal deposit	S/R	S/R	S/R

	Design fee / redesign fee	S/R	S/R	S/R
	Technical assessment site survey fee	S/R	S/R	S/R
4b	WSC carries out the work			
	Construction - Deposit and final invoice	S/R	Z/R	L/R
	Other cost elements of construction:			
	Traffic management / road closure costs	S/R	Z/R	L/R
	Legal agreement fee	S/R	Z/R	L/R
	Land entry / environmental / compensation charges	S/R	Z/R	L/R
	Administration fee for calculation of costs on an actual cost basis	S/R	Z/R	L/R
4c	Developer does the work (i.e. Self-Lay)			
	Design vetting fees	OTS		
	Legal agreement fee	OTS		
	Land entry / environmental / compensation charges	OTS		
	Inspection fee	OTS		
	Aborted site visit	OTS		
5	Zonal / Infrastructure charge	OTS		
	Waste Water - Description and Charges			
1	Pre-development enquiries - waste water	S/R	S/R	S/R
6	Sewer connection			
6a	Developer carries out the work (S106) Self-Lay			
	Application fee	OTS		
	Administration / Inspection / Site visit fees	OTS		
	Application / Administration / Inspection / Site visit fees	OTS		
6b	WSC performs physical connection work (S107)			
	Construction charge	S/R	Z/R	L/R
	Other cost elements of construction:			
	Traffic management / road closure costs	S/R	Z/R	L/R
	Additional site visits or resurvey	S/R	Z/R	L/R
7	Highway drainage connection			
	Developer carries out the work (i.e. Self-Lay)			
	Application fee/site visit/ inspection	OTS		
8	Sewer / lateral drain adoption (new) (S104)			
	Application fee	OTS		
	Vetting fee	OTS		
	CCTV assessment fee	OTS		
	Legal agreement fee	OTS		
	Inspection / Supervision fee	OTS		
	Surety	OTS		
	Telemetry, locks and keys	OTS		
9	Sewer / lateral drain adoption (existing) (S102)			
	Application fee	OTS		
	Vetting fee	OTS		
	CCTV assessment fee	OTS		
	Legal agreement fee	OTS		
	Inspection / Supervision fee	OTS		
	Telemetry, locks and keys	OTS		
10	Sewer / lateral drain requisition (S98)			
10a	Pre-commencement work			
	Application fee	S/R	S/R	S/R
	Administration deposit	S/R	S/R	S/R
	Design fee / redesign fee	S/R	S/R	S/R
10b	WSC carries out the work			
	Construction	S/R	Z/R	L/R
	Other cost elements of construction:			
	Traffic management / road closure costs	S/R	Z/R	L/R
	Legal agreement fee	S/R	Z/R	L/R
	Land entry / environmental / compensation charges	S/R	Z/R	L/R
	Agents costs	S/R	Z/R	L/R
	Administration fee for calculation of costs on an actual cost basis	S/R	Z/R	L/R
10c	Developer carries out the work (S30 under S98) - Self-Lay			
	Legal agreement fee	OTS		
	Land entry / environmental / compensation charges	OTS		
	Agents costs	OTS		
	Inspection / Supervision fee	OTS		
	Surety	OTS		

11	Sewer diversion (S185)			
11a	Pre-commencement work			
	Application / quotation / processing fee	S/R	S/R	S/R
	Appraisal deposit	S/R	S/R	S/R
	Design fee / redesign fee	S/R	S/R	S/R
11b	WSC carries out the work			
	Construction - Deposit and final invoice	S/R	Z/R	L/R
	Other cost elements of construction:			
	Traffic management / road closure costs	S/R	Z/R	L/R
	Legal agreement fee	S/R	Z/R	L/R
	Administration fee for calculation of costs on an actual cost basis	S/R	Z/R	L/R
11c	Developer carries out the work (i.e. Self-Lay)			
	Design vetting fees	OTS		
	Legal agreement fee	OTS		
	Inspection / Supervision fee	OTS		
	Surety	OTS		
	Agents costs	OTS		
12	Sewer abandonment (S116)			
	Developer carries out the work (i.e. Self-Lay)			
	Application fee	OTS		
	Legal agreement fee	OTS		
	Decommissioning costs	OTS		
13	Building over sewer agreement			
	Applicant carries out the work			
	Application fee	OTS		
	CCTV assessment fee	OTS		
	Additional site visit	OTS		
	Aborted site visits	OTS		
5	Zonal / Infrastructure charge	OTS		
	Others - Description and Charges			
15	Asset plans e.g. sewer maps	S/R		
16	Building water			
	DIY house-builder	Z/R		
	All others	S/R		
17	Standpipes			
	Deposit	OTS		
	Hire	S/R		
	Consumption:			
	SIC 1-5	S/R		
	SIC 0, 6-9	Z/R		
18	Water regulations inspections			
	At customers request	S/R		
	WSC recovery of costs	OTS		
19	Treatment of tankered waste	Z/R		
20	Disposal of septic tank and cesspool contents	Z/R		
21	Supply of water from depots			
	SIC 1-5	S/R		
	SIC 0, 6-9	Z/R		
22	Fire hydrants			
	New installations, relocation, repair	S/R		
	Consumption:			
	SIC 1-5	S/R		
	SIC 0, 6-9	Z/R		
23	Hydraulic modelling			
	Independent service billed separately	S/R		
	Billed as an element of a construction contract	S/R	Z/R	L/R