

Application for the diversion of Thames Water assets

Application form and guidance notes

Please detach and return the application form and retain our guidance notes for reference.

Please complete all sections of this form including the VAT Development Classification form and use the checklist in Section F to ensure you have included all the information we need. If we do not have all the information requested, your quotation will be delayed.

On completion, the application and accompanying diagrams should be returned to:

Thames Water, Developer Services, Clearwater Court,
Vastern Road, Reading Berkshire RG1 8DB

www.thameswater.co.uk/developerservices



Guidance notes

Diversion of Thames Water Assets

- 1 Under Section 185 of the Water Industry Act 1991 any person with an interest in land or in adjacent land, may give notice to Thames Water to alter or remove its existing assets from this land. However, this does not apply to pipes laid in streets. Thames Water will be happy to carry out diversionary works as long as the request is reasonable. The timing of the works will be affected by the various obligations in Thames Water's Code of Practice for Pipelaying Powers on Private Land. You should be aware that our guiding principle is, that all diversionary works must be funded by the applicant before any financial commitment is made by the Company.
- 2 Thames Water is entitled to recover all reasonable costs incurred in respect of any diversion on private land.
- 3 In some cases, developers will be permitted to divert non strategic public sewers using their own contractor, provided a signed Section 104/116 agreement is in place before work commences.

Funding

- 4 From the first notification of intent by the applicant to request a diversion, a four stage funding procedure must be followed.

Applicants will be required to make the following payments:

- a) An Initial Payment of £1000 to cover the cost of preliminary investigations and the production of a budget estimate. The budget estimate will identify the preferred route of the diversion, scope of the works, principal quantities and a provisional programme. The estimate is for indicative purposes only and will be constructed using standard budget estimate rates in the absence of detailed site, soil, utility and design information.
 - b) An Interim Payment is required to progress the scheme through to full design and to calculate the estimated final scheme cost. At this stage a payment of 10% of the estimated final scheme cost will be required, less the Initial Payment of £1000.
 - c) The Contract Commencement Contribution will be required to enable construction to commence. Once this payment is received the contract for the diversionary works will be let.
 - d) The Final Payment will be the difference between the final contract cost and the contract commencement contribution. The applicant will be required to pay this balance on completion of the final account. In cases where the contract commencement contribution exceeds the final contract cost, the appropriate refund will be made.
VAT is zero rated for new residential developments. For further information on VAT, please see the enclosed VAT Development Classification form.
- 5 If the applicant decides not to proceed with the diversionary work at any stage before the payment of the contract commencement contribution, any previous payments will be refunded upon request, after the deduction of any reasonable costs that Thames Water has incurred up to this point.

- 6 All Legal costs incurred by Thames Water relating to easements, wayleaves, land acquisition or discharge consents that are necessary for the diversion, will be charged to the applicant. Please note, no contract will be let until Thames Water has completed any such Legal matters.
- 7 Thames Water's powers of entry do not extend to certain land, for example Crown land, or they may be subject to special provisions, for example land held by other statutory undertakers such as British Waterways. This means the cost of acquiring easements through such land will be included in the cost of the diversion scheme. No contract will be let until Thames Water holds such easements and obtaining these may, in some circumstances, result in delays to the diversion scheme.
- 8 In certain cases Thames Water may be required to pay for discharge consents for surface water sewers. These charges will be included in the cost of the diversion scheme. No contract will be let until Thames Water obtains such consents.

Project Design

- 9 The nature and extent of works required to divert the assets will be decided by Thames Water. In making the final decision we will take into account the applicant's proposals, land issues and the hydraulic design of the diversion.

Contract and Final Contribution

- 10 All diversions are procured through Thames Water's Alliance Contracts with major civil engineering contractors. At the time of appointment the Alliance Contracts were competitively tendered in accordance with ECU Regulations. The Alliance Contract reduces the need to individually tender each project, simplifies the design process, and in most cases saves time and allows for an earlier construction start date.
- 11 Other legitimate expenses that may be added to the cost of the diversion scheme, include: design and supervision fees, site investigation costs, service diversion costs, surveyors' and legal costs, land access, easement and discharge consent costs, compensation and administration.
- 12 In the event that the applicant fails to pay the necessary contract contribution within the offer validity period of 28 days, it may be necessary to negotiate a cost adjustment or possibly to invite new tenders. Any costs incurred under these circumstances will be charged to the applicant.

Application for the diversion of Thames Water assets

Section 185 Water Industry Act 1991

Please read the Guidance Notes and complete all sections of this form. Please write clearly in BLOCK CAPITALS.

Section A Applicants details

Title	_____	Surname	_____
Forename	_____	Address	_____
Contact name	_____		_____
Tel no.	_____		_____
Mobile no.	_____		_____
Fax no.	_____	Postcode	_____

Section B Agents details (if different to above)

Company name	_____	Surname	_____
Title	_____	Address	_____
Forename	_____		_____
Tel no.	_____		_____
Mobile no.	_____		_____
Fax no.	_____	Postcode	_____

Section C Site address

Name	_____	Surname	_____
Local authority	_____	Address	_____

		Postcode	_____

Section D Development description (including number of dwellings or gross area or commercial development)

Section E1 Anticipated first occupation date _____

Section E2 Anticipated final occupation date _____

Section E3 Is this an application for wastewater or clean water

Section F Checklist and declaration

The following information should accompany your application form:

- 1 A site plan
- 2 Statutory undertakers information
- 3 Third party land owner information
- 4 Soils and borehole information
- 5 VAT Development Classification form

Failure to include any of the above information will be deemed as an incomplete application and may result in the application being delayed or returned.

I / We hereby request diversion of a Thames Water asset(s) under Section 185 of the Water Industry Act 1991 at the new development site detailed above and shown edged green on the attached 1:2500 Ordnance Survey extract.

I / We undertake to pay the full reasonable costs incurred by Thames Water in implementing the diversion scheme.

I / We have read the guidance notes issued with this application and enclose an initial payment of £1000, zero rated VAT for sites comprising 100% new build houses or flats or VAT at the current rate for commercial or industrial sites, made payable to Thames Water Utilities Limited.

I / We understand that any cancelled applications will result in a minimum charge of £87 to cover abortive costs.

I / We confirm to the best of my / our knowledge the above information to be complete and correct.

I / We have read and completed VAT Development Classification form and enclose it with this application

Declaration

I confirm to the best of my knowledge that the information in this application is complete and correct.

Your signature

Your full name
in BLOCK CAPITALS

Your role in the
company or job title

Date

Please note that Thames Water reserves the right to make the final connection to its water network. Illegally connecting to the water network is a criminal offence.

Please complete the form making sure you supply any additional information using the checklist in Section F and return it to:
Thames Water, Developer Services, Clearwater Court,
Vastern Road, Reading, Berkshire RG1 8DB

VAT Development Classification

This document should be completed as part of your application. It is important that the information you give us here is accurate, as this is how we will determine the correct rate VAT to apply to your work. Please read through the property type definitions and the 'How we apply VAT' matrix on the reverse side of this form before answering the question below.

VAT and Developer Services

We use HM Revenue & Customs' interpretation of VAT legislation as our guide on how to correctly charge VAT on the services we provide. Our work attracts a different rate of VAT according to the type of service we are supplying, the type of property involved and where the work is being carried out.

Certain elements of work such as infrastructure charges and various application fees do not attract VAT and are classed as 'outside the scope'.

Property type definitions

The following definitions are taken from Notice 708 Customs: Building and Construction (February 2008). A copy of this document can be found on HM Revenue & Customs website www.hmrc.gov.uk/vat.

New build properties

A new house or flat designed solely for residential or domestic use. Permanent residential caravan parks are also included in this definition.

Existing properties

An existing house or flat designed solely for residential or domestic use.

Commercial properties

A site designed for any form of business activity, including agricultural.

Relevant residential or charitable property

We might be able to apply a zero rating to works involving properties constructed for relevant residential or charitable purposes. A detailed explanation of the terms 'relevant residential' and 'relevant charitable' properties can be found in Notice 708 Customs: Building and Construction (February 2008). This document also lists examples of these property types and explains how to complete the certificate you would need to submit to us to demonstrate that the building is eligible.

Listed buildings

An existing building which is on the Statutory List of Buildings of Special Architectural or Historic Interest.

We might be able to apply a zero rating to work involving a listed building provided it can be classified as a residential, relevant residential or charitable property although cases of this nature will be dealt with individually. You will need to provide evidence that the building is listed, and that your proposed alterations have received Listed Building Consent.

Conversions

An existing property which is in the process of being converted into residential accommodation, for example, a house into flats or bedsits, or a building into a relevant residential property.

The lower 5 per cent rate of VAT for certain conversions can only apply to our work if carried out within the property boundary.

Our works are usually carried out on or outside the property boundary meaning that the current interpretation by HM Revenue & Customs of VAT legislation does not allow us to apply the lower rate in the majority of cases. However, there might be instances where we have to work within the property boundary and in these cases, we can apportion the VAT.

Mixed

A development or building that comprises more than one property type. For example, this could be a new build housing development with commercial facilities, or new build commercial premises with a residential flat above. In some cases, we can apportion the VAT on a fair and reasonable basis to reflect the types of properties being served. If your development falls into this category, we might need to contact you for further information.

Other

It is likely that if your property type is not mentioned above, it will be treated in the same way as a commercial property.

Please choose which category best fits your development:

- New build house or flat
- Relevant residential or charitable
- Commercial, existing or other
- Listed
- Conversion
- Mixed

How we apply VAT

The table below gives examples of how we apply VAT to a selection of our services.

	New build house or flat only	Relevant residential or charitable only	Commercial, existing or other	Listed only	Conversion only	Mixed
Infrastructure charges	Outside the scope – VAT does not apply					
Network charges	Outside the scope – VAT does not apply					
New water supply connection - application fee	Standard rated in all cases					
New water supply connection - services and mains	Zero-rated ¹	Zero-rated ¹	Standard rated	Zero-rated ¹	Lower rated ²	Standard rated ⁵
Pre-development enquiry application fee	Standard rated in all cases					
Network capacity investigations	Standard rated in all cases					
Water for building purposes (SIC 1-5)	Standard rated in all cases					
Self lay - all elements	Standard rated in all cases					
Water main and sewer requisitions	Zero-rated ¹	Zero-rated ¹	Standard rated	Zero-rated ¹	Lower rated ²	Standard rated ⁵
Section 102 and 104 sewer adoption application fee, build over application fee (Class I, II and III), Section 106/107 sewer connection costs	Outside the scope – VAT does not apply					
Section 102 and 104 sewer adoption additional services - remedial works payments and 'As built' drawings	Standard rated in all cases					
Section 106/107 sewer connection - construction costs	Zero-rated ¹	Zero-rated ¹	Standard rated	Zero-rated ¹	Lower rated ²	Standard rated ⁵
Sewer diversion returnable bonds	Outside the scope – VAT does not apply					
Water main and sewer diversions	Zero-rated ¹	Zero-rated ³	Standard rated	Zero-rated ³	Lower rated ²	Standard rated ⁵
Protection of our assets as requested by customer	Zero-rated ¹	Zero-rated ¹	Standard rated	Zero-rated ¹	Lower rated ²	Standard rated ⁵
Disconnection	Standard rated in all cases ⁴					

- Where VAT is stated as zero-rated, this is subject to the provision of evidence that the building is eligible. On occasion, there may be parts of the work on which we have to charge a standard rate of VAT.
- Where VAT is stated as lower-rated, this will only apply to works carried out within the property boundary. Otherwise, a standard rate of VAT will apply.
- Where VAT is stated as zero-rated, this will only apply to works that are carried out within the site. A standard rate of VAT will apply in all other circumstances, including diversions in the public highway.
- Although VAT applies to disconnections at a standard rate, Thames Water carries out this service free of charge.
- On mixed developments we might be able to apportion the VAT between standard and zero but usually, we would only do this at the customer's request.

Getting in touch with us

For enquiries regarding this application or any other questions relating to your building or development work please contact us on:

0845 850 2777

Monday - Friday 8.00am-5.00pm

You can write to us at

**Thames Water, Developer Services, Clearwater Court, Vastern Road,
Reading, Berkshire RG1 8PR**

Alternatively you can email us on developer.services@thameswater.co.uk
or visit our website address at www.thameswater.co.uk/developerservices

**You can contact Thames Water 24 hours a day, 365 days a year.
We record all our calls to ensure that we always give you a quality service.**

0845 9200 888

- Queries relating to your bill
- Change of address
- Meter readings

Minicom service if you are deaf or hard
of hearing
0845 7200 899

0845 9200 800

- For emergencies
- Other non-billing enquiries
- Literature

Minicom service if you are deaf or hard
of hearing
0845 7200 898

To contact us from abroad:
+44 1793 366011

If you prefer you can write to us at:
Thames Water PO Box 286
Swindon SN38 2RA

Visit the Thames Water website at
www.thameswater.co.uk

Have you any comments about this
leaflet?

We will be happy to hear from you re-
garding this or any other matter where
you feel our service to you could be
improved.

**This leaflet can be supplied in
braille or audio-tape upon request.**

