



**Competition in providing new water
mains and service pipes – consultation
on version 2.0 of guidance to
water companies**

Consultation paper

March 2005

Contents		Page
1.	Overview	4
1.1	Purpose and background	4
1.2	Legislation and publications	4
1.3	Our financial guidance	5
1.4	Scope of this consultation	6
1.5	Principles for consultation	6
1.6	Deleted principles	6
1.7	Responding to the consultation	8
2.	Communication with the industry and future work	9
2.1	Self-lay policies	9
2.2	Self-lay Group (SLG)	10
2.3	Communication with the industry and future work	11
3.	Updated guidance	12
3.1	Self-lay policies	13
3.2	Approving self-lay organisations	13
3.3	Applications to self-lay	15
3.4	Specifications for self-lay work	16
3.5	Self-lay agreements	17
3.6	Providing on-site and off-site mains	18
	3.6.1 Reinforcement of the existing network	19
	3.6.2 Upsizing	20
3.7	Design	20
3.8	Fitting meters and connecting service pipes	22
	3.8.1 Fitting meters	22
	3.8.2 Connecting service pipes to new mains	23
	3.8.3 Connecting to the existing network	24
3.9	Pressure testing, swabbing, disinfection, water sampling and quality testing	24
3.10	Supervision and inspection	25
3.11	Adoption	26
3.12	Service levels	26
3.13	Charges made by water companies	26
Appendix	1: Contestable and non-contestable work	28
Appendix	2: Process and practices for allowing SLOs to fit meters	30
Appendix	3: Summary of meter fitting responses	32
Appendix	4: Stages of the process and levels of service	35
Appendix	5: Summary of Water Regulations and associated contractor approval scheme	39
Appendix	6: Glossary of terms	41

1. Overview

1.1 Purpose and background

Owners and occupiers of premises that need a new water main or sewer may ask the water or sewerage company¹ to install the pipework. When this is required for domestic purposes, it is known as requisitioning. Alternatively, they may choose their own contractor to do the work, which is known as self-lay. The water company will take over responsibility for (adopt) self-laid pipes that meet the terms of its agreement with the developer or self-lay organisation (SLO) who will carry out the work.

The Water Act 2003 (WA03) introduced a statutory framework for the self-lay of water mains and gave us powers to determine disputes². These provisions, which amended the Water Industry Act 1991 (WIA91), came into force on 28 May 2004. All references to the WIA91 in this document refer to the Act as amended by the WA03.

All water companies should have a self-lay policy. In March 2002 we published 'Competition in providing new water mains and service pipes – guidance to water companies version 1.0', which set out the principles that should underlie water companies' own procedures on self-lay. This document is a consultation to update this guidance. In this consultation, we explain our progress in developing the market and the industry's experience of self-lay since March 2002 and propose some changes to the original guidance.

This consultation applies to self-laid water mains and service pipes for domestic purposes³.

The technical and operational terms used in this document are explained in the glossary of terms at the end of the paper.

1.2 Legislation and publications

Since version 1.0 of this guidance was published, the WA03 has introduced provisions covering the following broad areas.

- The WA03 formalises the arrangements for water companies to enter into agreements with persons constructing or proposing to construct new water

¹ Water or sewerage companies are water companies who hold Instruments of Appointment as water or sewerage undertakers under the Water Industry Act 1991 (WIA91).

² Sections 51A to 51E of the WIA91.

³ This guidance does not cover the self-lay of sewers. This is covered in WRc's publication 'Sewers for Adoption', which is a guidance document published by agreement between sewerage companies and the construction industry.

mains and service pipes for domestic purposes. This means that if an SLO constructs pipes in accordance with the terms of the agreement, the water company has to connect them to the existing network and adopt them.

- When an SLO constructs water mains for domestic purposes and the water company adopts these, the WA03 requires the company to make a payment to the SLO. This is an allowance for the revenue that the water company expects to receive from customers of the newly connected main.
- The WA03 gives us powers to determine disputes about the terms and conditions of self-lay agreements and water companies' refusals to agree to adopt self-laid pipes supplying water for domestic purposes.

This guidance takes account of all these changes.

Self-lay disputes are dealt with by Ofwat. WaterVoice operates as the independent voice of water and sewerage customers in England and Wales, but has no jurisdiction in this area.

In this consultation, we have also referred to the following publications.

- 'Guidance on financial arrangements for self-lay and requisitioning agreements', May 2004 (the financial guidance);
- 'Process for handling disputes and appeals: requisitioning of water mains and public sewers and/or lateral drains and adoption of self laid mains', May 2004 (the disputes process); and
- United Kingdom Water Industry Research's (UKWIR) 'Self-Laying of Water Mains and Services – A Code of Practice for England and Wales', 1st edition, April 2004 (UKWIR's self-lay code of practice). This covers the design and installation of new on-site water mains and communication pipes, including boundary stopcock and/or meter chambers, and the installation of off-site mains.

1.3 Our financial guidance

The key points of our financial guidance are set out below.

- The asset payment and charges for self-lay must be calculated in the same way that charges would have been calculated if the work had been requisitioned.
- These charges should reflect the reasonable costs of the work. Where these charges are included in any agreement, we have the powers to investigate disputes about the levels of these charges.

- Water companies are entitled to levy infrastructure charges and reinforcement costs when works are self-laid. The financial guidance includes further explanations of all the costs associated with installing new infrastructure.
- It also sets out the level of security that a water company can require when works are self-laid. We say that for most self-lay jobs, this should cover the reasonable potential cost of remedying minor defects in the SLO's work and the reasonable costs of the non-contestable work where these have not already been recovered. The financial guidance also covers when this security should be returned and the form it should be in.

1.4 Scope of this consultation

We are issuing this consultation under self-lay and requisitioning (SLR) letter 01/05. The consultation is written around a set of principles. Most of these principles were established by version 1.0 of the guidance although we have revised the wording in some cases for accuracy and clarity. We welcome your views on the accompanying text which has been revised to reflect developments in the industry. In addition, we have set out in section 1.5 the new and revised principles that we would like you to comment on.

1.5 Principles for consultation

In SLR 03/04 we asked for views on the procedures for allowing SLOs to fit water meters. The responses are summarised in appendix 3. We propose a new principle 15 to reflect the outcome of the meter fitting consultation.

In addition, we have revised principles 2 and 11 and these revisions are explained in the text.

We wrote to water companies in December 2003 asking for their views on the proposed levels of service. The outcome of this consultation was set out in SLR 03/04 and we have taken account of this in updating principle 22. Water companies should already be implementing these levels of service. However, we have proposed a new service level 9a in addition to these and we welcome your views on this.

1.6 Deleted principles

Some of the principles no longer apply as they are now formalised by the WIA91 as amended by the WA03. In addition, our financial guidance explains how charges and payments should be calculated. For these reasons we are proposing to delete the following principles which appeared in version 1.0 of this guidance.

Principle 2. Water companies should allow SLOs to install on-site mains.

Principle 11. Water companies should allow SLOs to install service pipes to reasonable water company specifications.

Principle 29. Water companies should take over responsibility for (adopt) water mains and service pipes laid by SLOs, provided they are satisfied that the assets meet the relevant standards and specifications.

Adoption should occur when the asset becomes live.

Reason for deletion: The WIA91 now states that if an SLO constructs any water main or service pipe in accordance with the terms of the agreement, the water company must connect it to the existing network and take over responsibility for it. A water company must not allow a pipe or service pipe to connect to its supply system unless they have been (to the relevant extent) adopted by the water company⁴.

Principle 27. Water companies' quotations:

- **For laying mains themselves (requisitioned work); and**
- **To SLOs as part of a self-lay project should show separately the costs of any reinforcement work.**

Water companies' charges for reinforcement work should reflect the reasonable costs of doing the work appropriate only to the needs of the current development site. Where water companies wish to upsize to increase capacity for future demand, they must pay for this and recover the costs from subsequent developers.

Reason for deletion: Our financial guidance sets out how most of the charges for self-lay work should be calculated. One of the key points of our financial guidance is that water companies should complete a cost breakdown template of charges for non-contestable works. This enables developers to compare the costs of requisitioning with the costs of self-lay. We have revised principle 23 of this consultation to take account of these changes. It is a general principle that applies to the calculation of all charges.

Principle 28. Water companies should pay an asset value to SLOs when they take over responsibility for (adopt) self-laid mains.

Reason for deletion: The WIA91 now requires water companies to make a payment to the SLO. This is an allowance for the revenue that the water company

⁴ Section 51D(1) of the WIA91.

expects to receive from customers of the new main. Our financial guidance sets out the methodology and principles for calculating the charges and payments for self-lay work.

1.7 Responding to the consultation

We invite your views on the updated guidance. Please mark your responses 'self-lay' and send them by **1 June 2005** to:

Sarah Thomas
Competition Policy Team
Office of Water Services
Centre City Tower
7 Hill Street
Birmingham
B5 4UA

Or by e-mail to: sarah.thomas@ofwat.gsi.gov.uk

We will place all responses in our library where they will be available to the public. If you do not want your response to be available in this way then please mark it confidential.

2. Communication with the industry and future work

2.1 Self-lay policies

To monitor how the water companies were implementing self-lay we reviewed their self-lay policies. We first did this in July 2000 when only 13 water companies submitted policies. After publishing our guidance in 2002 we asked water companies to revise their policies. Overall, by July that year the policies had improved. We suggested further improvements in January 2003, after which most policies met our 2002 guidance.

The table below summarises the differences in four key areas between the policies submitted in 2000, 2002 and 2003.

Key points of guidance in 2002	Compliance with principles in 2000	Compliance in 2002	Compliance after our comments in January 2003
	Out of 13 water companies	Out of 22 water companies	Out of 22 water companies
Contestable tasks <ul style="list-style-type: none"> - Installing off-site mains - On-site design - Connection of service pipes to newly laid mains - Both disinfection and pressure testing 	Around half of the companies submitted policies that allowed SLOs to carry out these tasks.	A small number of water companies were still not allowing SLOs to carry out these tasks.	Most water companies agreed to allow SLOs to carry out these tasks. We are continuing discussions with companies whose policies do not meet the requirements.
Clarity of policies and information on charges	Most policies and information on charges were unclear.	A third of policies were clearly written, including charges information.	Most water companies agreed to include charges information in their policies at the next revision.
Levels of service	No policy included self-lay service levels.	Around half provided some levels of service.	75% included levels of service.
Asset payment	Six offered an asset payment.	18 offered an asset payment, but its calculation was generally unclear.	All offered an asset payment, but in most cases its calculation was unclear.

2.2 Self-lay Group (SLG)

Our March 2002 guidance reported that we were liaising with representatives of interested parties to establish a Self-lay Group (SLG) to help us to facilitate progress in the self-lay market. The SLG has met 14 times since May 2002. It comprises representatives of water companies, Water UK, SLOs, suppliers, and the House Builders Federation. The Drinking Water Inspectorate (DWI) was part of the SLG until January 2004. The DWI is now satisfied that the SLG will continue to safeguard water quality in developing self-lay policy. The SLG's objectives for 2002 and 2003 are below, with details of our work to meet them.

- **Implement national levels of service for each component of non-contestable work. When SLOs experience difficulties because of poor service from water companies, their reputations can be tarnished, causing fewer developers to choose to self-lay.**

The SLG proposed levels of service for the self-lay process, which we issued to the industry for consultation in December 2003. We evaluated the responses before finalising a process and timescales for the stages of the work (see appendix 4). UKWIR included our process in its self-lay code of practice. Section 3.12 of this guidance explains the requirement for levels of service.

- **Consider mechanisms for making water companies' non-contestable costs transparent, including the need for a cost breakdown template for water companies to provide to developers.**

The SLG developed the non-contestable cost breakdown that was included in the financial guidance. The template sets out charges for non-contestable work and lists the asset payment the water company will make if the works are self-laid. Water companies should complete the template for each job.

- **Following discussion with the industry and other regulators, propose the safeguards and processes necessary to make meter fitting contestable.**

To help us understand the process, we issued a questionnaire to the water companies that allow SLOs to install meters. Using that information, the SLG developed the processes that water companies should follow to make meter fitting contestable. Appendix 3 explains the outcome of this consultation and we have proposed a new principle 15 to cover this task.

- **Implement a national scheme for approving SLOs.**

The SLG produced a specification for a scheme, which Lloyd's Register is taking forward. This is explained further in section 3.2.

- **Consider implementing a single national self-lay policy.**

This was achieved by UKWIR's self-lay code of practice. The SLG commented on the code and provided a process for the levels of service. In addition to this, Water UK is developing a model national legal agreement.

- **Ensure all financial allowances made available to developers by water companies in the requisition process are available to organisations or their agents wishing to self-lay.**

The WIA91 includes provisions to address this objective, as explained section 1.2. As part of implementing the new regime, the SLG helped develop the financial guidance and the disputes process.

Further information about the SLG, including members' details, agendas and minutes are available on our website at www.ofwat.gov.uk.

2.3 Communication with the industry and future work

We keep abreast of current practice in the self-lay market through researching water companies' policies, the SLG, our attendance at related seminars and conferences, information brought to us through telephone enquiries and complaints, and contact with the Office of Gas and Electricity Markets (Ofgem). Anecdotal evidence indicates that self-lay developments are increasing around the country and developers are more aware of the opportunities available. United Utilities Water plc estimates that self-lay operators complete more than 50% of new connections in its area. But this rate of activity is not reflected in the rest of the country, particularly in the south. We are working with the SLG to communicate the benefits of self-lay around the country.

We will continue to be proactive to ensure that people understand the new legislation and guidance papers, and to help the self-lay market to work better. Together with the SLG, we have identified the following areas of future work:

- Monitoring Lloyd's Register's progress in implementing a registration scheme for water, contributing to its development as necessary and encouraging the industry to support it.
- Supporting Water UK's work to write a model national legal agreement, contributing to its development as necessary.
- Assessing developments in the self-lay market to identify possible obstacles to competition in mains and service pipe laying and developing any policy required to overcome these.

3. Updated guidance

We encourage developers, SLOs and water companies to develop constructive working relationships to facilitate the competitive environment. We encourage water companies to embrace and further develop competition, while safeguarding water quality and the interests of customers.

Developers choosing to self-lay can plan the main laying and connection work to suit their site programme. Developers are also interested in the option of multi-utility service laying, where one SLO installs several utility services to a site, sometimes in a single trench. The developer benefits by procuring services from one service provider, rather than from the separate utilities. Costs may also be lower if water, gas and electricity services are laid in one trench. There is also a lower risk of damage to existing infrastructure by repeated excavations. UKWIR's self-lay code of practice sets out the stages of the self-lay process.

Developers and SLOs should work in partnership with water companies. They should make early contact and provide adequate information to enable water companies to prepare quotations in line with service levels. Developers should plan early and provide details about site layout plans, house types, plots, phasing, and internal and external plumbing arrangements. Appendix 5 provides more information on the Water Regulations.

Water companies should allow SLOs to carry out those works they can do and to purchase the services of the water company or an appropriate alternative (subject to the approval of the water company) for the remaining work. However, water companies should not be disadvantaged by having to complete elements of work that SLOs choose not to do. Water companies can avoid this by making cost-reflective charges to SLOs for these tasks.

This section sets out the principles for water companies' self-lay policies and agreements. We have numbered the principles 1 to 23 and incorporated the service levels associated with each principle. We list the work that we believe is contestable and non-contestable in appendix 1. The service levels are in appendix 4, and covered in section 3.12. We propose to review this guidance in 2007.

Although the service levels are based on a particular way of working, the targets should apply to water companies' individual processes. This reinforces the need for all parties to continue an effective dialogue from the first approach to completion of the site.

3.1 Self-lay policies

Principle 1. Water companies should have clear and publicly available self-lay policies that reflect the principles below.

Water companies' own policies should be readily available to potential SLOs and developers. Ideally, these policies should be on their websites, but we recognise that smaller water companies may not have the means to do this easily. The minimum we expect to see on a website is clear information about how these policies can be obtained and who developers or SLOs can contact about queries. Water company staff should tell enquirers about the option to self-lay and be able to explain their company's self-lay policy, as well as providing information on requisitioning.

UKWIR's self-lay code of practice sets out the standards and processes for installing new water mains and service pipes. In addition, water companies should provide clear guidance on their individual technical specifications as well as their own dispute handling process and our powers to handle disputes.

Water companies' policies on water quality must cover the requirements of both the Water Supply (Water Quality) Regulations and the Water Supply (Water Fittings) Regulations (summarised in appendix 5) and refer to appropriate reference documents. Section 1.4 of UKWIR's self-lay code of practice also covers water quality.

Water companies are liable for any enforcement action in the event of unwholesome water being supplied. They are also liable for prosecution if water unfit for human consumption is supplied, subject to a due diligence defence, or if an unapproved substance or product is applied or introduced. Water companies may include in their self-lay agreements clauses to enable them to recover the reasonable costs of any such actions, although criminal liability cannot be transferred.

3.2 Approving self-lay organisations

Principle 2. Water companies should have clear and reasonable criteria against which SLOs and their individual employees can be assessed for appropriate skills and qualifications.

Principle 3. SLOs should not be expected to meet either higher or lower standards than those contractors employed directly by water companies.

Principle 4. Water companies should require an SLO to be competent only in those activities the SLO proposes to carry out. Water companies can require SLOs to be competent in the basic elements of self-lay work, such as main and service laying, connections, understanding material selection and basic hydraulics.

Water companies' self-lay policies should set out their criteria for approving SLOs. We have revised principle 2 to state that water companies' policies should include the criteria for approving individual members of a workforce. In assessing SLOs' competencies, water companies are encouraged to take account of SLOs' proven records of working within other water companies' areas.

SLOs and their employees should be experienced and qualified in the areas relevant to the work they wish to do. Water companies can require SLOs and their operatives to be competent in the basic elements of self-lay work. This includes main and service laying, connections, understanding material selection and basic hydraulics. The standards of construction and working that SLOs must work to should be no greater than the standards that water companies require of their own contractors.

Energy and Utility Skills (EU Skills) is the sector skills council for the utility industries and is funded by government and employers. EU Skills is establishing a modular Water Network Construction qualification to cover the competencies to lay water infrastructure. This will be the first national qualification that operatives can obtain to demonstrate their competency to water companies. The qualification consists of core and optional modules designed to ensure that SLOs meet the essential criteria while allowing the choice to specialise in certain areas. It is expected to become available by late spring 2005. Operatives must be reassessed every five years to retain a valid qualification. EU Skills is also looking to develop this into a dual-utility qualification so operatives can also lay gas infrastructure. The water companies fully support this initiative. We encourage developers and contractors to do likewise, to help reduce the barriers to competition that individual water companies' training requirements can present.

Before starting work, SLO employees need to be screened for water transmittable diseases and undergo hygiene training. Satisfactory assessment is needed to work on potable water mains and pipes. This is sometimes known as 'blue card' certification. Water companies must tell SLOs about the 'Principles of water supply hygiene' and the associated technical guidance notes. This applies to any staff sub-contracted to SLOs. EU Skills is also developing a scheme to register individuals who have successfully completed national hygiene training.

In addition to this, the water industry, through a Water UK sub-group, has held discussions with Lloyds Register about operating a national accreditation scheme for self-lay organisations. Lloyds Register has now produced a guidance document for the Water Industry Registration Scheme, together with a draft Memorandum of

Understanding (MoU) for individual companies to sign with them. Members of the Water UK's Self Lay Network have reviewed, amended and agreed the content of the guidance document and related documents. This initiative will complement the work of EU Skills in developing a skills registration database for the workforce of companies, contractors and self-lay organisations.

Company lawyers are currently reviewing a MoU. Water UK will submit the proposed accreditation scheme to Water UK's Council for industry approval in spring 2005. Where Lloyds Register's scheme is in operation, we will expect water companies and SLOs to support this.

The service level that applies for this part of the work follows.

- **Service level 5. The water company verifies and accepts records or refuses consent for the employee to work, as appropriate, within five working days of receipt.**

3.3 Applications to self-lay

The person constructing or proposing to construct the pipes may apply in writing to the owner of the water network to which they wish to connect, requesting an agreement⁵. We encourage SLOs and developers to initiate discussions with water companies about their water requirements as early as possible. If the developer has appointed an SLO, water companies should provide information to the SLO. Applications to self-lay should include supporting information, as specified by the water company in its self-lay policy⁶.

Water companies and developers need to agree at an early stage whether the supplies are for domestic or non-domestic purposes. Supplies of water for drinking, washing, cooking, central heating and sanitary purposes are supplies of water for domestic purposes even if, apart from some specific exceptions, the use of the property is commercial⁷.

UKWIR's self-lay code of practice includes the information that a water company may require when an SLO applies to self-lay. We expect developers and SLOs to follow this guidance and for water companies to apply it when deciding their own specifications.

Water companies must, before the end of two months from a self-lay application, either refuse the application or give notice to the applicant of the terms on which it is prepared to grant the application⁸. A water company may delay its response to

⁵ Section 51A(3) of the WIA91.

⁶ Section 51A(4) of the WIA91.

⁷ Section 218 of the WIA91.

⁸ Section 51B(1) of the WIA91.

an application if it is incomplete⁹. Where an SLO submits incomplete information, we expect water companies to highlight this to the SLO within three working days.

The following timescales apply to making self-lay applications.

- **Service level 1. Water company scrutinises the application and acknowledges it as complete or notifies the applicant of any shortfall. The service standard for checking and acknowledging the completeness of the application is three working days from receipt.**
- **Service level 2a. Water company specifies the point of connection and provides system design parameters. For developments not greater than 500 properties this is within ten working days of receiving all the information.**
- **Service level 3. Water company checks the final details and application within five working days, unless there are significant changes in, for example, housing layout, number or type of houses, programme for development or point of connection, requiring significant revision of asset payment and/or non-contestable charges.**

3.4 Specifications for self-lay work

Principle 5. Water companies should have clear and publicly available specifications on methods of working and on the type of materials to be used.

Principle 6. SLOs can procure materials themselves, if they comply with water companies' reasonable specifications and national standards.

Principle 7. Where water companies require materials, for example meters, to be standardised, they should be able to justify this in relation to operational and/or maintenance efficiency benefits.

The general requirements and specifications for all types of civil engineering construction work, including providing water mains and service pipes, are represented at a national level in the Civil Engineering Specification for the Water Industry (CESWI). In addition, water companies can assess the quality of mains to be adopted against UKWIR's code of practice. We may refer to these documents in determining disputes about agreements, although we will not be bound by them. See section 3.5 on agreements, and refer to our disputes guidance.

Water companies are under statutory requirements, enforced by the DWI, to

⁹ Section 51A(5) of the WIA91.

ensure that water supplies are not contaminated. This includes enforcement action if water is unwholesome, and criminal liability for supplying water unfit for human consumption. Water companies' specifications must cover all relevant DWI requirements and list appropriate reference documents. Methods of working must follow agreed practice as stated in the water company's water supply hygiene code of practice.

All materials coming into contact with drinking water supplies must be approved under Regulation 31 of the Water Supply (Water Quality) Regulations. Water companies' pipework, up to and including the stop tap at the boundary of the property must meet Regulation 31. The DWI has a list of products and processes approved under Regulation 31 of the Water Supply (Water Quality) Regulations. The customer is responsible for the pipework from the stop tap onwards and this must meet the requirements of the Water Supply (Water Fittings) Regulations, 1999.

Water companies should have the final approval of any standards and specifications in operation in their area. For example, water companies can specify what meters the SLOs can install. However, these standards should be no different to those for their own contractors. Where water companies believe that there are localised reasons for using certain types of materials, for example on brownfield sites where there may be a risk of contamination, they should justify this on technical, operational or maintenance efficiency grounds. They may also choose to provide the meters.

3.5 Self-lay agreements

Section 51A of the WIA91 sets out how water companies may enter into agreements to adopt and connect self-laid water mains and service pipes for domestic purposes. Some water companies prefer to agree a contract with an SLO rather than the developer, while others prefer the reverse. This guidance does not prescribe contractual relationships, but water companies' self-lay policies should explain clearly the roles and responsibilities of all parties. The agreement needs to be in place before the final connection is made.

The water company will declare in the self-lay agreement that it will adopt the water main or service pipe at a date upon or after completion of the work, provided that it is constructed in accordance with the terms of the agreement. SLOs, developers and water companies must work together to ensure that self-laid water mains meet the specifications necessary for adoption. Water companies should carry out final inspections to check that their specifications have been followed within a reasonable time after the SLO or developer has notified them that work is complete.

Currently, water companies each have their own legal agreement. UKWIR's self-lay code of practice sets out the key headings to be included in the legal

agreement between the water company and the developer or SLO. Water UK is working with the industry, including SLOs, developers and regulators, to produce a model national legal agreement. This standardisation will streamline the process for SLOs working in different water company areas. When this agreement is completed we will expect water companies and developers to use it.

We will consider disputes about the terms of a self-lay agreement as explained in the disputes process. This sets out how we will handle disputes. Where a dispute has implications for water quality we will seek advice from the DWI, in accordance with our MoU issued on 23 April 2004. Local authorities and highway authorities can take action against SLOs or developers for defective reinstatement as appropriate.

Water companies' self-lay agreements with developers or SLOs should cover different parties' responsibilities for complaints. Water companies will deal with customers' complaints after the pipe is adopted.

A water company can enter into an agreement about a water main or service pipe within the area of another supplier¹⁰. This is where the other water company has consented in writing to the agreement unless the Secretary of State has decided that this is unnecessary. This situation might occur when the pipes are to be laid in the latter water company's area but will connect to the system owned by the former. All parties should communicate effectively to ensure a smooth process.

Service level 4 applies to this part of the process.

- **The draft formal Agreement is issued within five working days of approval of the construction drawings and programme.**

3.6 Providing on-site and off-site mains

Principle 8. SLOs can install off-site mains in third party land and highways where SLOs have obtained the necessary street authority approvals and satisfied any other legal requirements.

Principle 9. SLOs can install extensions to the site and the new part of diversions where SLOs have the necessary permissions. Water companies can retain responsibility for these works only when they will affect existing customers and/or there are justifiable engineering reasons to do so.

Where SLOs can obtain the necessary street authority approvals, they can install off-site water mains. When laying off-site sewers, SLOs sign an agreement with the water company before starting any work. This states that the SLO will obtain appropriate rights to work on the highway and on third party land. SLOs can also

¹⁰ See section 51A(10) of the WIA91.

organise easements, although these will always be assigned to the water company. Water companies' agreements with SLOs or developers should mirror this procedure.

Water companies' policies should set out the circumstances where they will not allow SLOs to do extensions or diversions to any existing mains on development sites.

Ofgem is intending to develop proposals for competition in the provision of on-site or neighbouring diversion and reinforcement work on gas and electricity networks where the works in question are new assets and do not include work on the existing network operator's network.

3.6.1 Reinforcement of the existing network

Principle 10. Water companies can retain the right to carry out off-site work to reinforce the existing network.

Principle 11. Water companies must be able to justify the need for and cost of reinforcement work and provide a timetable at the start of the project. They should generally complete reinforcement work as soon as possible.

When self-lay works are undertaken, a water company may also need to provide other water mains and tanks, service reservoirs and pumping stations because of the provision of the new main¹¹. This is known as network reinforcement and the water company can recover its reasonable costs for this work. Water companies can retain the right to carry out work to reinforce the existing network, because they own the assets and have detailed knowledge of their condition and capacity. Network reinforcement will impact on existing customers unlike installing off-site mains.

Generally, water companies should complete reinforcement work as soon as possible. Under the WIA91 we have powers to determine disputes about the terms and conditions of self-lay agreements and this may include disputes about a requirement for network reinforcement. When determining disputes, we will consider carefully whether the network reinforcement is necessary, particularly if the work is carried out more than a year after the main has been installed.

Water companies should, where possible, identify off-site requirements for reinforcement work at the local plan stage and provide timely information in response to enquiries about reinforcement work. In our original guidance, we said that water companies must provide a flow analysis to justify reinforcement work, but we now recognise that this is a difficult requirement. The water company should be able to justify the need for and cost of reinforcement by providing a

¹¹ Section 51C(3) of the WIA91.

detailed explanation of its requirement if requested. In circumstances where a sufficient explanation has not been provided, we will expect the water company to demonstrate sound technical reasons for the reinforcement and might require supporting flow analyses and/or pressure modelling. We may rely on this information if a dispute is referred to us.

There may be occasions, for example on large developments, where it is more efficient for the water company to phase off-site reinforcements in line with development progress. In these circumstances, water companies should estimate the full costs at the start, estimate when the reinforcement is required, and calculate the estimated charge to the developer(s). The charge should take account of when the work will be completed. They should tell developers the reasons for reinforcement work and provide a breakdown of their charges showing any apportionment between different parties. So, if several developers are involved, fair arrangements can be agreed at the start of the development.

The water company may also decide that supporting infrastructure at or downstream of the point of connection is required, that is between the existing network and the new properties being built by the developers. This might include tanks, reservoirs or pumping stations. The water company may reasonably insist on providing reinforcement work at the SLO's expense, but may agree to the SLO doing the work. If the infrastructure is constructed in accordance with the agreement, the water company will adopt it¹².

Our financial guidance has further information on the charges payable when infrastructure is self-laid.

3.6.2 Upsizing

Water companies can ask SLOs to lay a larger main than is necessary for the current development, in anticipation of meeting future demand. In this case, section 51A(7)(c)(i) of the WIA91 enables the water company to specify the material, size and depth of pipes. The water company must pay the SLO the reasonable extra expense it incurs by meeting these additional requirements. Water companies can recover these costs from subsequent developers connecting to the same main.

3.7 Design

Principle 12. SLOs can design on-site systems in accordance with water companies' specifications. Water companies must approve designs before work starts.

Principle 13. Water companies can retain the right to design off-site systems.

¹² Section 51A(7)(b) of the WIA91.

Principle 14. Water companies should co-operate with SLOs in providing information on water networks, to facilitate SLOs in carrying out works.

SLOs can complete designs, provided they follow the water company's guidance and seek its approval. Water companies must approve designs as these impact on their supply systems. Self-lay work should not start on site until the design is approved by the water company. Water companies should therefore meet service level 2, as set out below. Water companies will need to determine pipe sizes due to the impact on the network. The water company and SLO or developer should discuss this during the design process.

Water companies require SLOs or developers to provide ground analyses with designs for all sites. In some circumstances, water companies may also require details of remedial work that is necessary before designs can be approved and work started. Water companies can insist on having new designs if the ground conditions do not allow work to proceed to the original design or if the developer's site plan changes. Water companies' specifications should cover the types of materials that can be used in contaminated land and methods of working.

Water companies must explain their reasons for rejecting designs, and disputes should be resolved through negotiation, where possible. We can consider disputes about the terms and conditions of self-lay agreements, which may include design specifications.

If SLOs need mains designed, they must give water companies adequate notice.

SLOs should obtain information from other utility service providers before they start work. Water companies should co-operate with SLOs' requests for information about water networks. For security reasons, it is not appropriate for water companies to put details of their networks on the Internet.

The following service levels apply to designing the network.

- **Service level 2. The following service standards apply where the SLO asks the water company to do the design.**

Developments up to 500 properties – within 20 working days.

For developments greater than 500 properties or schemes where significant off-site design is required, or where there are changes to the developer's prior notifications, or where specialist advice or investigation is required, the water company must confirm the date for providing full details of the quotations within ten working days.

- **Service level 2b. Water company checks design, calculates asset payment and provides full details of cost of non-contestable items and services. For developments not greater than 500 properties this is within 15 working days from receipt of design and drawings from the SLO.**

3.8 Fitting meters and connecting service pipes

3.8.1 Fitting meters

DRAFT NEW PRINCIPLE 15. Water companies should consider SLOs' requests to install water meters to water company specifications.

In our August 2001 consultation 'Competition in providing new water mains and service pipes' we sought views on the principle that water companies should allow SLOs to install water meters. In response, most SLOs, Ofgem, the Civil Engineering Contracts Association and the Society for British Water and Wastewater Industries agreed. They believed water companies could give clear specifications for meter provision and instructions on the type and timing of information required to overcome potential problems. Water companies offered various reasons for not allowing SLOs to install meters, including not being registered with the water company, unsatisfactory performance, not using specified equipment or materials, or being unable to demonstrate the relevant competence.

We reported respondents' views in our March 2002 guidance, concluding that meter installation should not be open to competition. But we committed to reviewing this in 2004, undertaking to discuss with the water companies the safeguards and administrative processes needed to make this work contestable.

In April 2003, we wrote to eight water companies that allow SLOs to install meters for information on their processes and procedures. The practices of the seven companies that responded are similar, although three had no direct experience of SLOs fitting meters in their area. SLR letter 03/04 summarised the water companies' processes. We considered that these could enable all water companies to allow SLOs to fit meters. We asked for water companies' views. The responses to SLR 03/04 are set out in appendix 3. We have updated the processes for making meter fitting contestable and these are listed in appendix 2.

Since we issued the SLR letter, United Utilities Water and Anglian Water have conducted trials allowing SLOs to fit meters. Both water companies presented the interim results of these trials to the SLG. Based on the information available from these trials and the outcome of the consultation, we propose that water companies should allow SLOs to fit meters to reasonable water company specifications. Water companies will be able to recover their reasonable costs of administering and monitoring this work.

The water companies' main concern is that the SLOs will fail to provide sufficient meter details to set up billing accounts. One water company's suggested resolution is for the SLO and water company to enter into a separate adoption agreement for service pipes, including the meter fitting. This enables the water company to collect a deposit from the SLO to protect against the SLO providing inadequate meter information. This appears to be reasonable, but it is for water companies to decide on the processes necessary to ensure SLOs provide accurate billing details.

Individual SLOs will lose the approval to carry out this work if they do not do it effectively.

The following service levels apply to this work.

- **Service level 9. Where the SLO asks the water company to fit the meter, the water company will do so within five working days of receiving details of the connection.**
- **Proposed service level 9a. Where the water company supplies meters for SLOs to fit, they must do so within five working days of receiving a request, or within reasonable water company procurement timescales.**

3.8.2 Connecting service pipes to new mains

Principle 16. SLOs can connect service pipes to new mains that they have laid (after the water company has commissioned the mains), provided the appropriate standards are met and there are no risks to existing customers.

Principle 17. Where appropriate, water companies can control the timing of service pipe connections made by SLOs to mains that they have laid themselves.

New mains are those laid by the same SLO as part of the same development. SLOs can connect service pipes to new mains as defined above, because they will know the condition of the pipe. This work will generally relate to on-site mains. However, SLOs can make corrections to off-site pipe work that they have recently laid as part of the same development before it has been adopted by the water company. This is provided that the appropriate standards are met and there are no risks to existing customers.

Exceptionally, water companies may refuse to allow connections to the existing system if water quality may be compromised, for example if the SLO fails to comply with the Water Regulations.

The agreement should specify the point or points at which the new main¹³ or service pipe¹⁴ will connect with the water company's existing supply system. A water company may agree to connect a service pipe to its existing supply system, subject to compliance with one or more of the requirements specified in section 47(2) of the WIA91. A water company must not connect a self-laid water main or service pipe to its system unless it has adopted it¹⁵.

The agreement should also specify the information that the SLO should provide when the connection is made. Water companies can require the SLO or developer to provide a clear programme of proposed future connections to the main to ensure that water quality is not prejudiced by low use of water in the new main. This enables the water company to control the timing of service connections to new mains, to avoid water stagnating in the pipes and to comply with water regulations. Water companies must be reasonable in terms of how far ahead they require information on service connections to be available.

3.8.3 Connecting to the existing network

Principle 18. Water companies can retain the right to connect new mains to existing mains and to connect service pipes directly to existing mains.

Existing mains are the parts of the system in place before an SLO starts its own installation work. These include off-site and on-site pipework, some of which is likely to supply existing customers. SLOs cannot be expected to know the condition of pipework that they have not laid and are not responsible for maintaining.

In view of their obligations to their existing customers, water companies might prefer to complete this work themselves. For this reason, we class this as a non-contestable activity.

Competition in final connections to both existing and new mains is already permitted in the gas connection sector. Trials of competitive connections of new services to new mains on greenfield housing developments are under way in some electricity network operator's areas.

3.9 Pressure testing, swabbing, disinfection, water sampling and quality testing

Principle 19. SLOs can swab, pressure test and disinfect new mains under water company supervision.

¹³ Section 51A(7)(d) of the WIA91.

¹⁴ Section 51A(8) of the WIA91.

¹⁵ Section 51D(1) of the WIA91.

Principle 20. Water companies can retain the right to undertake water sampling and quality testing.

Water companies should allow SLOs to swab, pressure test and disinfect new mains. Final connections should not be made until a satisfactory water sample result is obtained. As water companies are liable for water quality failures, they retain responsibility for this final quality control.

Water companies must follow these service levels relating to pressure and quality testing.

- **Service level 6. The water company makes supplies available within five working days of notice of a requirement for a supply, and is available to witness the pressure test subject to the specified notice period, providing the necessary off-site works have been completed and there are no New Roads and Streetworks Act (NRSWA) or Traffic Management Act requirements.**
- **Service level 7. The water company will take a water sample for bacteriological testing within three working days of the SLO's request. Where the first water sample fails, the water company should inform the SLO as soon as possible.**
- **Service level 8. Subject to a satisfactory bacteriological test and receipt from the SLO of 'as laid drawings', the water company will connect to the existing system within ten working days of the notice that the new main is available for testing and connection, and will issue a notice accepting the main into operation, providing there are no NRSWA or Traffic Management Act requirements.**

3.10 Supervision and inspection

Principle 21. Water companies should clearly explain to SLOs at the start of a self-lay project the level of supervision and inspection required and the associated charges.

Where water main and service pipe installation is opened up to competition, water companies must supervise and inspect work to maintain quality standards and security of supply. Water companies should identify the inspection and supervisory requirements of developments before work starts on site, preferably in a meeting with the SLO. This includes outlining clearly the criteria that developers and SLOs should meet before inspections are carried out. Requirements may differ across developments. More inspection may be needed on larger sites. This includes areas that are phased, on brownfield sites or contaminated sites where special materials or different working practices apply. Water companies may charge for additional inspections where SLOs do not meet the water company's standards, and for extra

inspections and advice requested by the SLO.

The DWI carries out random, unannounced audits of work being carried out on the distribution system by water companies and their contractors. The same is likely to apply to SLOs. SLOs must keep water companies informed of progress and where plans change.

3.11 Adoption

When the SLO has constructed the water main or service pipe in accordance with the terms of the agreement, the water company must connect it to the existing network and take over responsibility for the pipework, a process known as adoption.

Water companies require information from SLOs before adoption. This might include audit trails for materials, details of easements, meter details for individual households, and “as constructed” details to enable the water company to operate the system.

3.12 Service levels

Principle 22. Water companies should publish clear and reasonable timescales for separate elements of main laying work that they carry out when providing new water infrastructure. Their published timescales should follow the levels of service in appendix 4 and set out what SLOs must do in order for the water company to complete its part.

All water companies should comply with the service levels specified in this guidance for each element of the self-lay process. The full process and timescales are in appendix 4.

If SLOs are concerned about the service they are receiving from the water company, they can ask it to include service levels in the self-lay agreements for the work that they must carry out, perhaps linked to compensation should these not be met. If the water company objects to the inclusion of such terms in the agreement, the SLO can refer the matter to us for determination. If the SLO can show that the water company has a track record of poor service, we may determine that the levels of service should be included in the self-lay agreement, although we would take into account all relevant considerations in any individual case.

3.13 Charges made by water companies

Principle 23. Water companies' charges for non-contestable elements of self-lay work (such as, inspection, design approval, sampling, etc) should reflect the reasonable costs of doing the work.

Generally, the level of non-contestable costs should be the same as they would have been if the work had been requisitioned. In some cases, extra costs may be incurred because the works have been self-laid, for example where extra inspection is required because an SLO has limited experience or where works go wrong. Water companies can charge for this work in addition to the other non-contestable costs.

Our financial guidance provides more detailed explanation of how all the charges and payments should be calculated. We expect water companies to complete the cost breakdown template included in this guidance.

Appendix 1: Contestable and non-contestable work

1. Contestable work

- Designing on-site water systems in accordance with water companies' specifications (except * below).
- Installing on-site mains.
- Installing off-site mains in third party land and highways where the developer or SLO has obtained the necessary easements, street authority approvals and satisfied any other legal requirements.
- Installing extensions and the new part of diversions to new development sites, where the developer or SLO has the necessary permissions and no existing customers will be affected or there are no engineering reasons why this work should be non-contestable.
- Installing service pipes to new mains water company specifications.
- Connecting service pipes to new mains (after the water company has commissioned the new mains with water), provided the appropriate standards are met and there are no risks to existing customers. See also the guidance on timing of service pipe connections.
- Swabbing, pressure testing and disinfecting new mains, under supervision by the water company.

2. Non-contestable work

- Designing off-site water systems.
- *Sizing pipes – water companies can retain responsibility for this part of the design work.
- Approving on-site water system designs.
- Off-site work to reinforce the existing network.
- Determining the timing of service pipe connections to new mains.
- Connections that involve risks to existing customers.
- Connecting new mains to existing mains.

- Connecting service pipes directly to existing mains.
- Water sampling and quality testing.

Please note that installing water meters has been left out of the above lists pending the outcome of the consultation.

Appendix 2: Process and practices for allowing SLOs to fit meters

1. Assessing SLOs

Before allowing SLOs to install meters the SLO needs to show the water company that it is competent to do the work. Water companies should set out their requirements in their self-lay policies and assess SLOs that wish to self-lay in their area.

SLOs competency is assessed in a number of ways:

- SLOs should outline their meter fitting procedures in their quality assurance procedures.
- Some water companies insist that SLOs undertake the water companies' own training. This might be replaced by national training such as the Water Network Construction qualification currently being developed by EU Skills.
- SLOs must provide information requested by the water company to enable them to assess competency and experience. If there is a national scheme to approve SLOs for working on mains, SLOs should fulfil the requirements set out in this instead.

2. Monitoring SLOs' work

Water companies can recover the reasonable costs associated with inspecting and supervising the work carried out by the SLO. This includes the costs that might be incurred if a higher level of inspection is needed because, for example, the SLO is inexperienced in a water company's area. The following practices will ensure that the SLO has followed the correct procedure and provided timely information.

- SLOs should discuss the details with water companies before the work starts and arrange dates for inspections and connections.
- Water companies may inspect at various stages to check the standard of workmanship, compliance with water company specifications and conformity with the relevant quality regulations. Where problems occur, more frequent inspections might be carried out.
- Water companies may appoint a project manager to each scheme to provide guidance, and monitor the progress and quality of the work.
- SLOs must use specified equipment and materials.

- SLOs must locate meters in accordance with water companies' policies.

3. Billing details

To ensure that SLOs pass on timely and accurate information about the meters when they install them, water companies can operate the following policies.

- SLOs must provide accurate details of information that water companies ask for to trigger their billing processes.
- SLOs must provide this information within the timescales asked for by water companies.
- Water companies can supply the meters themselves to ensure that the materials used are compatible with their processes.
- Water companies can audit meter details at a post-completion inspection, prior to adoption. This can take the form of a handover meeting with each customer where all meters are read and agreed.
- Water companies can enter into separate adoption agreements for service connections, including the meter fitting. This would enable the water company to collect a deposit from the SLO to protect against it providing inadequate meter information.

4. Defective work

Water companies will employ safeguards to ensure that SLOs achieve the right standards for installing meters:

- If there are significant or recurring problems, the water company can withdraw approval for the SLO to continue fitting meters.
- The SLO should remedy any defects before the asset is adopted.

Appendix 3: Summary of meter fitting responses

We received responses from 19 water companies on this issue. Overall, the response to the proposals was broadly positive. More than half of the water companies support the idea of allowing SLOs to fit meters. However, some add that they have reservations, saying that there is little to be gained by the developer or the water company from allowing the SLO to fit the meter. These water companies are concerned about the SLOs' ability to fit meters and the costs of the extra requirements.

Some respondents disagree with our proposals. One water company does not specifically comment on the metering proposal, and around a third of the water companies do not support it. They consider that SLOs will not install meters in the right way and may provide incorrect data for billing purposes. This will increase the water companies' costs and place an unnecessary risk on their income stream.

In addition to these general comments, the water companies also comment on the processes that we outlined for the different parts of the task. We have summarised a selection of representative views.

1. Assessing SLOs' competency

We suggested processes that would enable water companies to assess the competence of SLOs. Most companies who comment on this point agree with the processes that we outlined.

- South East Water says that it supports the development of a national accreditation scheme for SLOs which will develop a core of skilled workers maintaining the high standards that are necessary.
- Severn Trent Water says that the process does not apply because it fits internal meters. The developer's plumber and associates do the work. Severn Trent Water says that the work is often not done to specification and considers that the plumbers involved would not regard the cost of gaining a formal qualification in meter fitting as worthwhile.
- South West Water says that it does not currently assess SLOs' competency and it would be an additional area of work for which they are not resourced.

2. Monitoring SLOs' work

We said that water companies could put a variety of processes in place to monitor the work and that they could recover the reasonable costs of this work. Water companies agree that there may need to be a high level of monitoring at various stages of the task and raise concerns about the extra costs of this.

- South West Water says that the suggested safeguards may help but it does not have the resources. It undertakes very little monitoring in long-term agreements with partnership contractors.
- Bristol Water, Sutton & East Surrey Water, and South East Water all comment that the cost of inspection and monitoring could be significant. This would increase the cost to the SLO.
- Severn Trent Water considers that it will be difficult to secure reliable programmes from the SLOs, so there will not be enough time for the water company to check whether the pipework has been installed to the right standard before metering.

3. Billing details

We suggested a number of processes to encourage SLOs to provide the right billing details. We included a suggestion that water companies should withhold the asset payment until the meters are fitted correctly and the right information supplied. Several water companies comment that it is not possible to do this as the agreement for adopting water mains is separate from the provision of service pipes. Water companies also raise other concerns.

- Cambridge Water says that it fits encoded meters which require a £500 reading device which SLOs will not want to buy or maintain for small contracts.
- Severn Trent Water believes there is little incentive for SLOs to ensure that details are correct.
- South East Water suggests that only part of meter fitting should become contestable. Water companies should be allowed to supply meters to ensure that they are compatible with data collection processes.
- Southern Water says that the metering is the last stage before occupancy and so there is no way of remedying faults before the customer moves in.
- Sutton & East Surrey Water considers the proposals have many disadvantages and do not ensure that the developer will provide appropriate information so there is a risk that customers will not be charged or billed. It would be expensive to resolve such issues.
- South West Water comments that meter fitting is carried out under its partnership contract. It considers that the proposals will increase the administrative burden that South West Water does not have resources for.

4. Defective work

We outlined the safeguards that water companies could operate to ensure that SLOs achieve the right standards for installing meters. Water companies again raise the point that they cannot refuse to adopt the asset for the reasons outlined in point 3. They also make other points.

- Southern Water comments that any remedy for poor performance needs to be within a formal agreement.
- Cambridge Water points out that not all defects are apparent after initial inspections. Remedying defects that occur later on requires investigation and resources. It says it is not staffed or funded to deal with the difficulties.

5. Our conclusions

We have reviewed the water companies' responses and drafted our proposals in light of the issues that have been raised. We consider that water companies should be able to operate the processes necessary to make meter fitting contestable. They should provide clear information about any extra costs that SLOs will incur in carrying out this work, such as charges for inspection and monitoring, to enable the SLOs to make an informed choice about the options available.

We would not expect water companies to alter their established, reasonable practices to enable SLOs to carry out this work. For instance, if a water company installs internal meters and SLOs find that there is little benefit to them in fitting meters, then we would not expect the water company to change its policy.

We have revised the suggested meter fitting process (see appendix 2) to take account of the points raised by water companies. We have deleted the suggestion that water companies should withhold the asset payment until the SLO has provided adequate billing details, but explain in the self-lay guidance that it should be possible to set up a separate agreement covering the installation of service pipes and meters.

Appendix 4: Stages of the process and levels of service

Working days exclude weekends and public holidays.

The response time should be from the date of receipt by the water company of the relevant information to the date of notifying the developer or the SLO that the task has been completed.

1. General/land enquiry stage

- Water company provides indicative costs for off-site mains and reinforcements to inform the interested developers before they procure the land.
- The successful developer advises the water company that the development will proceed and confirms the approximate number of properties and entry points.
- This enables the water company to assess the connection point and need for reinforcement.

2. Formal enquiry

- The developer invites one or more SLOs to tender for providing the infrastructure to the site.
- The water company issues each SLO with the schedule of information it requires to progress an application.
- The water company will accept the developer's letter of invitation to the SLO and the schedule of information as confirmation that the SLO is authorised to represent the interests of the developer.
- Water companies will expect investigation details for contaminated land screening and, where necessary, detailed site investigation to conform to UKWIR's specification for laying pipes in contaminated land.
- The developer may also request a quotation from the water company for on-site mains.
- The nominated SLOs submit their proposed service corridor layout drawings, with the template of development details, to the water company.

Service level 1

The water company scrutinises the application and acknowledges it as complete or notifies the applicant of any shortfall of detail. The service standard for checking and acknowledging the completeness of the application is **three working days** from receipt.

- The water company sizes the mains for the development, laid out in the proposed service corridor.
- The water company then estimates off-site and reinforcement costs, and non-contestable charges including inspection, disinfection and sampling, connections to existing mains and building water. Also, any mains that are to be upsized for future developments are identified and the SLO is notified of the water company contribution to the upsized element. The water company calculates the asset payment that is due to developers who are installing their own pipework in accordance with the methodology set out in the Water Act 2003. This is explained further in our guidance on 'Financial arrangements for self-lay requisitioning agreements'.

Service level 2

The following service standards apply for the above works, where the SLO asks the water company to do the design:

- Developments up to 500 domestic properties – **within 20 working days**.
- For developments greater than 500 properties or schemes where significant off-site design is required, or where there are changes to the developer's prior notifications or where specialist advice or investigation is required, the water company must confirm the date for providing full details of the quotations this is **within ten working days**.

For schemes where the SLO elects to do the design the following alternative service standards are proposed:

Service level 2a

Water company specifies the point of connection and provides system design parameters. For developments not greater than 500 properties this is **within ten working days** of receiving all the information.

Service level 2b

Water company checks design, calculates asset payment and provides full details of cost of non-contestable items and services. For developments not greater than 500 properties this is **within 15 working days** from receipt of design and drawings from the SLO.

- For water company designed schemes, the water company advises the fire

authority of the proposal and submits the layout for statutory approval. If SLOs have specified substantially different service corridors then fire authority approval will not be possible until the water company is advised (by the developer or successful SLO) of the service corridor to be used.

Please note that service levels 2, 2a and 2b may be subject to the requirement to seek authority approval.

- The SLOs submit their tenders to the developer who appoints an SLO.
- The successful SLO submits final construction drawings, a programme of work and other specified details to form the basis of the Agreement for Adopting the Mains.

Service level 3

Water company checks the final details and application within **five working days**, unless there are significant changes in, for example, housing layout, number or type of houses, programme for development or point of connection, requiring significant revision of asset payment and/or non-contestable charges.

Service level 4

The draft formal Agreement is issued **within five working days** of approval of the construction drawings and programme.

- The formal Agreement is completed in advance of work on site commencing.

Laying the mains

- The SLO provides the employee medical and competence records as specified by the water company.

Service level 5

The water company verifies and accepts records or refuses consent for the employee to work, as appropriate, **within five working days** of receipt.

- Having laid the mains the SLO gives the water company notice of its requirement for water supplies to be made available for charging the mains and pressure testing.

Service level 6

The water company makes supplies available **within five working days** of notice of a requirement for a supply, and is available to witness the pressure test subject to the specified notice period, providing the necessary off-site works have been completed and there are no NRSWA or Traffic Management Act requirements.

- Following the successful pressure test the SLO cleans and disinfects the main

and asks the water company to sample and connect the new main to the existing system.

Service level 7

The water company will take a water sample for bacteriological testing within three working days of the SLO's request. Where the first water sample fails, the water company should inform the SLO as soon as possible.
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Service level 8

Subject to a satisfactory bacteriological test and receipt from the SLO of 'as laid drawings', the water company will connect to the existing system within ten working days of the notice that the new main is available for testing and connection and will issue a notice accepting the main into operation, providing there are no NRSWA or Traffic Management Act requirements.

- The water company may specify constraints on periods of time between disinfection, testing, connection to the system, and draw off of flow from new mains in order to safeguard water quality.
- The water company will inform the SLO as soon as reasonably practicable after any failure of a bacteriological test. The water company will require the SLO to take remedial measures and to re-submit the notice for sampling and connection.

Connection of services

- The SLO and developer will complete plumbing and lay services, giving notice as required for inspections in accordance with the Water Supply (Water Fittings) Regulations 1999. The SLO will issue a programme for connection of services to mains to enable the water company to inspect the execution of work.
- Within 48 hours of completing a service connection to the mains the SLO will advise the water company of the connection, provide full address details and request installation of the meter.

Service level 9

Where the SLO asks the water company to fit the meter, the water company will do so within five working days of receiving the details of the connection.

Proposed service level 9a

Where the water company supplies meters for SLOs to fit, they must do so within five working days of receiving a request, or within reasonable water company procurement timescales.

Appendix 5: Summary of Water Regulations and associated contractor approval scheme

Water Supply (Water Quality) Regulations 2000 and any subsequent amendments, or the Water Supply (Water Quality) Regulations 2001 for water companies in Wales

Water mains and pipes approved for use in the public water supply system

Materials for water mains and communication pipes must meet the requirements of Regulation 31. Failure to meet this requirement is an offence under Regulation 33. The DWI enforces these Regulations. Mains and pipes which have been so approved are listed by the DWI. The list is published twice a year, and can be obtained from the DWI or from its website at www.dwi.gov.uk.

The list is also in the 'Water Fittings and Materials Directory', which is published by the Water Regulations Advisory Scheme (WRAS). Telephone 01495 248454 for details, or visit the WRAS website at www.wras.co.uk.

Water Supply (Water Fittings) Regulations 1999

The Water Supply (Water Fittings) Regulations prevent the waste, misuse, undue consumption and contamination of public water supplies in domestic and commercial plumbing installations. The water companies enforce these Regulations.

Copies of the Water Fittings Regulations are available from the HMSO website at www.legislation.hmso.gov.uk/stat.htm. Full text of Statutory Instruments 1999 – Nos 1148 and 1506 can be purchased by telephoning HMSO on 0870 600 5522.

Further advice should be sought from HMSO or from the WRAS. The WRAS, in partnership with Defra, has also produced the 'Water Regulations Guide' to provide more detailed explanation of the requirements. Copies are now available from the WRAS.

Approved contractor schemes

The Regulations introduced approved contractors. Approved contractor status carries certain statutory responsibilities. Under the Regulations, water companies are entitled to run approved contractor schemes, as well as any other organisation appointed by the Secretary of State or the Welsh Assembly Government. Approved schemes are listed on the Defra website at www.defra.gov.uk, and can be obtained by entering 'Approved Plumbers' in the search box. Schemes are currently being run by individual water companies or through the Water Industry Approved Plumbers Scheme (WIAPS), the Institute of Plumbing and Heating Engineers, the

Association of Heating and Plumbing Contractors, and the Scottish and Northern Ireland Plumbing Employers' Federation.

The approved contractor schemes vary in their scope, so it is essential to check with the appropriate operator whether any particular scheme covers all work envisaged.

All work undertaken by an approved contractor must comply with the requirements of the Regulations, confirmed by a certificate. Approved contractors are excused some of the pre-installation notification requirements of the Regulations, since their certified competence removes the need for statutory pre-notification of work, but water companies may carry out audit inspections of work.

Appendix 6: Glossary of terms

Adoption: This is the process by which water companies take over responsibility for infrastructure such as mains.

Brownfield site: A site that has previously been built upon (as opposed to a greenfield site that has never been built upon).

Commissioning: The process of filling the mains with water so that the supplies are available for customers to use. This will be after the necessary quality tests have taken place.

Contestable: Open to competition.

Developers: Those who organise the purchase of land, construction of new buildings and their sale.

Disinfection: The process of treating water with, for example, small amounts of chlorine to ensure that it complies with water quality regulations.

Easement: A legal right of way over another person's property, which may cover the laying of pipes in that land.

Extension to the network: A single pipe that is laid from the existing network to serve new customers.

Existing mains/existing network: The parts of the system already in place before an SLO starts installing pipes. These will include off-site and on-site pipework, some of which may supply existing customers.

Live main: A main connected to the water network and filled with water.

Multi-utility infrastructure provision: This is where one SLO installs more than one utility service to a site (which could include gas, electricity, water and telecommunications), sometimes in a single trench.

New main: A main laid by the SLO as part of a development.

Non-contestable: Not open to competition.

Off-site: In the public highway or in land owned by people other than developers.

On-site: Land owned by developers.

Pressure testing: Testing to make sure that the pressure of water in newly laid pipes is neither too high nor too low.

Piece-ups: Pipes connecting one phase of a development site to another phase.

Reinstatement: Work carried out to restore the surface of the ground to its original condition; for example, resurfacing a road after work to lay water mains.

Requisition: Water companies must provide water mains that are sufficient for domestic purposes when required to do so by a notice under sections 41 to 44 of the Water Industry Act 1991. This is known as a requisition. Water companies must provide the mains once the financial conditions of compliance are satisfied and the water company has agreed the places for connecting the new pipes to its existing main or network.

Self-lay: Where developers, or their contractors, install new water mains and service pipes instead of asking the water company to do the work.

Self-lay organisations (SLOs): These include developers who can lay their own mains and service pipes, contractors laying mains for the developers, and multi-utility infrastructure providers.

Service pipes: A pipe supplying water from a main to any premises (whether in the highway or in private land).

Swabbing: A process to clear mains of dirt and materials before they are filled with water.

The Water Supply (Water Quality) Regulations 2000 and any subsequent amendments: These Regulations specify the standards used to define the wholesomeness of drinking water and also specify, under Regulation 31, the requirements for using approved substances and products. The DWI enforces the Regulations.

The Water Supply (Water Fittings) Regulations 1999: These Regulations are requirements for the prevention of contamination of water supplied, and it is the statutory duty of the water companies to enforce them.

Upsizing mains: When a water company decides to lay a larger main than is needed to supply a new development. This might be because the water company considers that the demand for water will increase in the future.