Consultation on the code for Adoption Agreements

1   INTRODUCTION

The industry has been working hard to improve the service and information available to Self-lay providers, South East Water has seen an increase of 8% in self-lay schemes from 2016/17 to 2017/18 YTD. The work carried out in the industry along with stake holders has been very positive and we are keen to maintain the momentum with the Code for Adoption Agreements.

2   ANSWERS TO SPECIFIC CONSULTATION QUESTIONS:

Q1.Do you agree with our preferred approach in terms of the content and scope of our Code? Please explain your answer.

Option 4 provides enough detail to reassure developers, SLPs and water companies that a consistent approach can be reached without being too prescriptive, it provides some flexibility which ensures innovation and best practice will not be stifled. We are encouraged that Ofwat can direct companies and, if appropriate take enforcement action, in instances of non-compliance.

Q2. Do you agree with our proposed code principles and their definitions? Please explain your answer.

We agree with the principles set out in the code and the definitions provided. We are pleased to see the end-user has been highlighted and that companies will be encourage to take into account not just the needs of the developer and SLO's but also the person who will ultimately be using the infrastructure installed. SLP's, Developers and Water Companies responsibility should be to work together to ensure that new householders receive the best possible supply to their properties.

Q3.Do you think our proposed minimum information and publication requirements are appropriate and sufficient?

We feel that the proposed minimum information provides good guidance on the starting point. In order for consistency we do feel that any terms used, that are open to interpretation, need defining to ensure that they are applied consistently across the industry. For example the term "high risk" is used for elements of service connections, offsite reinforcement and mains connection that cannot be carried out by SLP's because they may have an impact on existing customers or have a detrimental effect on the network, therefore any work that is considered "high risk" will stay as non-contestable, the issue is the term "high risk" has a great deal of varied interpretation and we need to have a clear definition of what this actually means.

We are pleased to see some clear guidance on publication requirements and hope that this will provide some transparency for SLP's and Developers when searching for information.

Q4.Do you agree with our proposed approach of requiring companies to develop Sector Documents and Model Adoption Agreements in consultation with Developer Services Customers, according to a set of minimum requirements?

Yes, this idea seems sensible and provides an element of ownership for everyone involved in the process. A lot of work has been carried out in the sector to improve the customer experience for developers and SLO's and this approach to the model adoption agreement would be a continuation of the work carried out. Water Companies are working together more than ever before and this can only be a good thing for the customer and the end user.

Q5. Do you agree with our proposed minimum requirements?

We agree with the minimum requirements proposed.

Q6. Do you agree with our proposed approach to deviations? Please explain your answers.

It is important that some flexibility is maintained; innovation and best practice could be stifled if the requirements are too rigid. It may be that the suggested panel could extend its remit to reviewing any company principles/ideas that are outside the code – a potential sign off procedure that means that the panel are happy that the idea is not detrimental to the SLP/Developer/end user.

Q7. Do you have any comments on or proposed approach to governing the initial approval of and subsequent changes to the Sector Document and Model Adoption Agreements?

We agree with the proposed approach and the concept of the governance panel. We do feel that any member of the panel purporting to be from a representative body should declare who they represent so that we can be confident that SLP's and Developers have fair representation.

Q8. Do you consider the proposed timeline for submitting the Sector Documents and Model Adoption Agreements to us for approval to be realistic achievable/ if not, what would you consider a suitable timeline?

We feel the timescale is achievable, although we should be mindful that the charging work and rewriting of the New Connection Charging statements is also being carried out by all companies at the same time.

Q9. Do you have any comments on the assurances the sector will be required to provide to us when submitting the Sector Documents and Model Adoption Agreements to us for approval.

No.

Q10. Do you have any comments on our proposed transitional arrangements to enable companies to comply with Sector Documents and Model Adoption Agreements?

No, we are happy with the proposals for transition.