



Developer scrutiny panel

Q2 2019 meeting

Developer Services
Weds 10 July 2019

About this deck.

This deck contains the slides presented to the developer scrutiny panel.

Subsequent to the meeting, we've added slides in each section to provide additional useful information and give an overview of the questions and comments raised by the panel. These slides are marked with this icon:



Please remember that this slide deck was used as a basis for discussion and feedback, and so some of the contents are proposals and may not be definite. Please don't hesitate to speak to us if you need any clarity - we're here to help. You can email our customer engagement team at

keyaccounts.strategicpartnering@thameswater.co.uk



Panel attendees: 10 July 2019

Company	Name	Role	Region of operation
Barratt Developments	[REDACTED]	[REDACTED]	National
Barratt London	[REDACTED]	[REDACTED]	London
Galliard Homes	[REDACTED]	[REDACTED]	London
Lendlease	[REDACTED]	[REDACTED]	London
MJA Consulting	[REDACTED]	[REDACTED]	
MJ Gleeson Strategic Land	[REDACTED]	[REDACTED]	Across the South
Taylor Wimpey	[REDACTED]	[REDACTED]	
Telford Homes	[REDACTED]	[REDACTED]	London

Apologies:

Company	Name	Role	Region of operation
Hoare Lea	[REDACTED]	[REDACTED]	Outside London
London Square	[REDACTED]	[REDACTED]	London
Linden Homes	[REDACTED]	[REDACTED]	Outside London
Pye Homes	[REDACTED]	[REDACTED]	Outside London
Taylor Wimpey	[REDACTED]	[REDACTED] [REDACTED]	Outside London

Today's agenda.

Slot	Topic	TW Speaker
09:00-09:15	Arrivals	
09:15-09:30	Agenda, introductions and panel mandate	██████████
09:30-09:45	Business update	██████████
09:45-11:15	2020 charging update <ul style="list-style-type: none">- Workshop feedback and latest proposals- Consultation plan	██████████
11:15–11:45	Water efficiency	██████████
11:45-12:15	Lunch	
12:15-13:15	Code for adoptions <ul style="list-style-type: none">- Latest timelines- Our position on SuDS- Pumping station adoption process	██████████ ██████████
13:15-13:45	Pre-planning enquiries – comms updates	██████████ ██████████
13:45-14:45	AOB Clean delivery team structure D-MeX telephone surveys	
14:45–15:00	Next dates and feedback	

Also present from Thames Water

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



Before we begin.

Test: 3pm
Wednesdays



If evacuated:
head to car
park entrance



The panel's mandate.

- **Act as a valuable sounding board** for our ideas and our change and improvement plans, providing constructive feedback and flagging gaps or issues
- **Provide developer insight and feedback**— share what you and your colleagues think, including views on matters such as:
 - **Key issues of current or emerging concern** for developers arising in the marketplace
 - **Our service**, and how effective our initiatives are in addressing developer issues
 - **Best practice** observed in other water and utility companies we should emulate
- **Support us in sharing information with developers**
 - Support us in reaching colleagues within your company
 - Advise us of opportunities to reach the wider developer market
 - For transparency, we'll summarise your comments from this meeting and share them publicly through our developer newsletter



Business update.



Our regulatory change programme.

Currently in flight:

- Code for Adoptions – Water (ie relating to self-lay work)
- Code for Adoptions – Sewerage
- D-MeX
- New connections charging - changes for April 2020
- Levels of Service
- Finalising our 2020-2025 business plan

2020 charging changes.



Objectives / Expected Outputs from this session

Objectives

Share outputs from the Developer Workshop on 13 June and show how these are shaping our current thinking on New Connections Charging for 2020 .

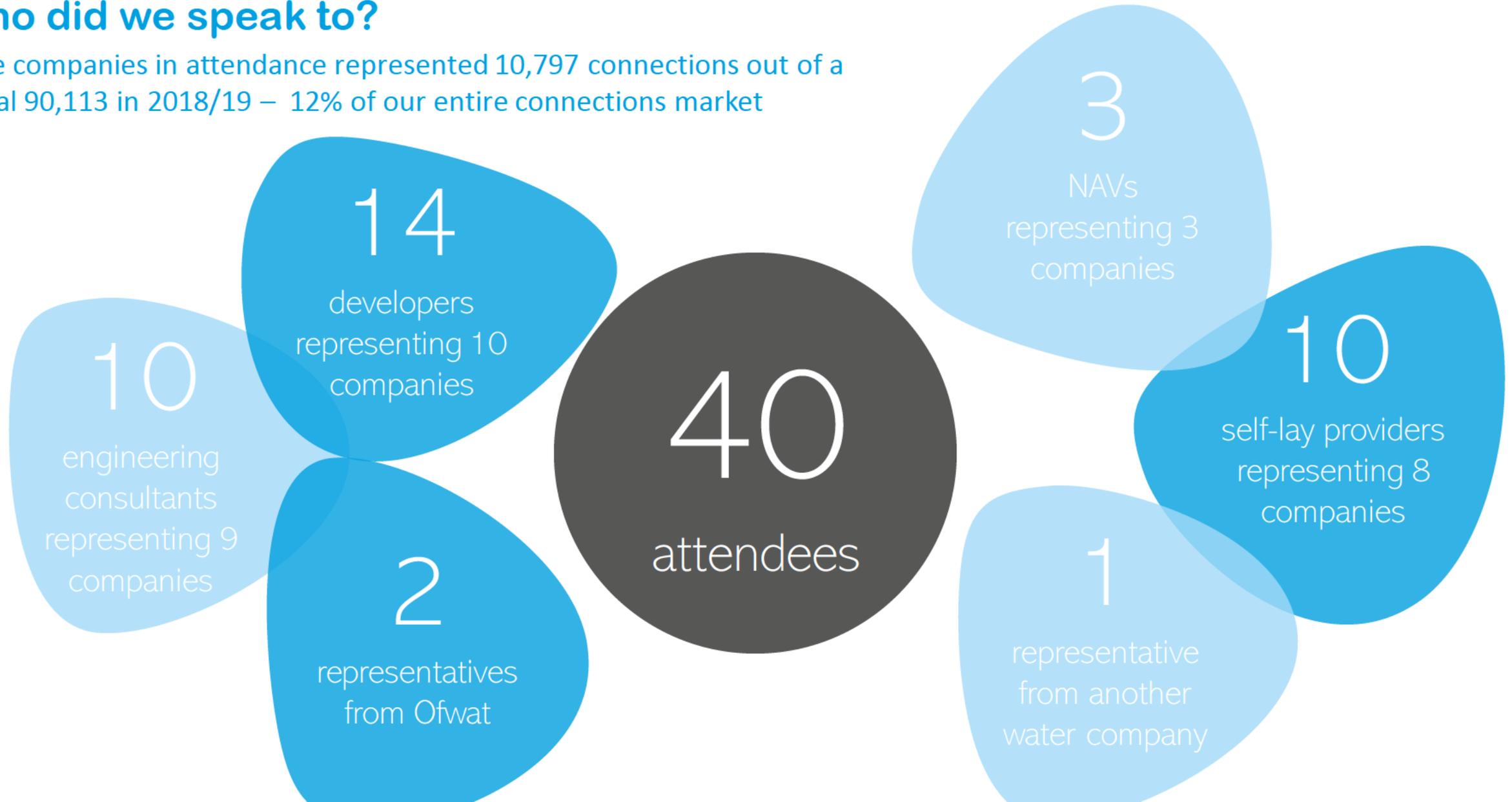
Expected Outputs

Feedback from the panel on latest options and preferences so that they can be fine tuned for the formal consultation in September

Workshop Re-cap

Who did we speak to?

The companies in attendance represented 10,797 connections out of a total 90,113 in 2018/19 – 12% of our entire connections market



Workshop Re-cap

Helping us shape our independent research for the 2020 new charging rules

Workshop context

Ofwat recently published changes in charging rules for all water and wastewater companies to follow when setting charges for connections effective from 1 April 2020.

We explained that the new rules **mean income offset and asset payments have to go away and be replaced by a credit against Infrastructure Charges**

They also require us to reflect the below principles:

Fairness and affordability

Environmental protection

Stability and predictability

Transparency and customer-focused service

Approach

Customers attended a workshop on 13 June to help us shape our independent consultation in September.

We discussed six key topics and will use the insight learnt to support the research to be proportionate, timely and effective.



Workshop Re-cap

What were the six topics discussed

Balance of charges



Infrastructure credit eligibility and calculation versus previous allocation of income offset and asset payment

Cash flow



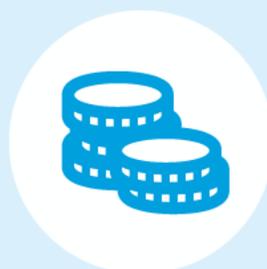
When infrastructure charges and credits will be due versus previous timing of income offset and asset payment

Transition



What arrangements are appropriate to transition between old and new charging?

App fees



Are proposals to separate out Mains App & Design fee appropriate?

Zonal charges



Should TW be considering zonal infrastructure charges?

Water efficiency credits



Can charging arrangements drive water efficiency improvements?

Workshop Re-cap

Headline outputs

Consultants	Major housebuilders	Self-lay providers	NAVs
Cash flow - Keen to understand change so that we know how it will impact our costings		Cash flow - Keen to understand change so that we can prepare our businesses commercials	
Balance of charging – difficult to please all Agree that sharing the charge is fair in principle however each want a balance of charge to suits their individual business needs			Thames need a NAV proposition
Transition – scenarios are needed to give effective feedback Transition could drive an influx of application pre change			
Zonal infrastructure charges - are not expected to change behaviour			

Refining the options

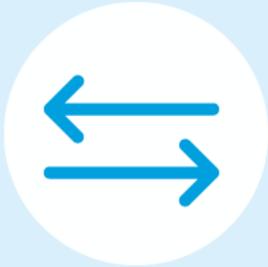
Balance of charges



Cash flow



Transition



App fees



Zonal charges



Water efficiency credits



1. Share what came out of the workshop
2. Share the current options TW are considering including preferences
3. Group discussion / feedback from Scrutiny Panel on latest thinking

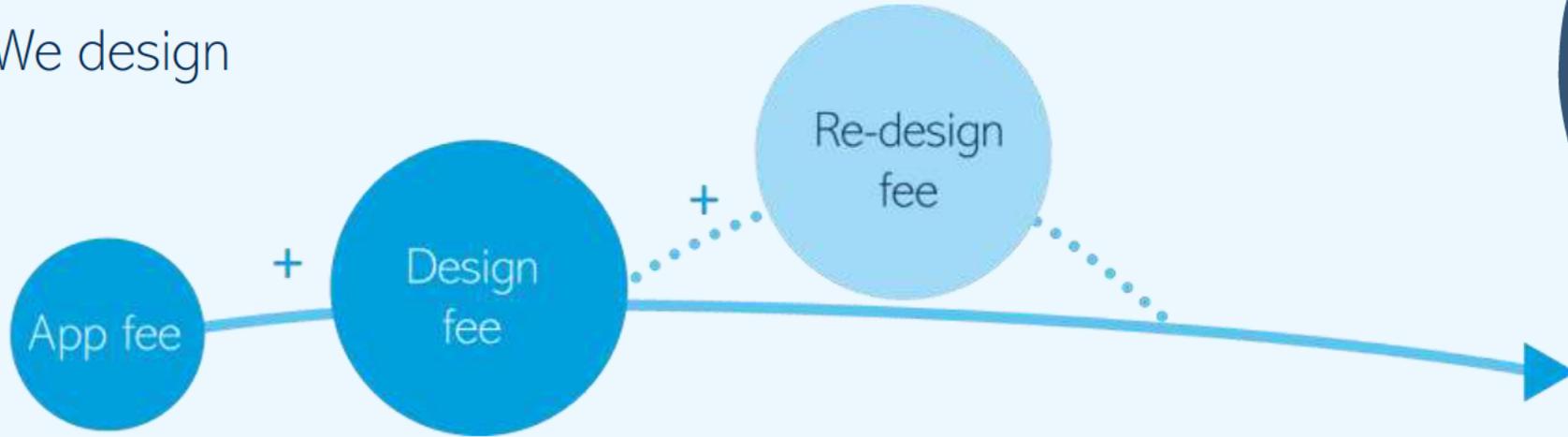
Mains Application & Design Fees

App fees



Workshop Discussion – App & Design Fee

We design



The introduction of fees should be cost neutral if we design the main, while others could do this cheaper

Someone else designs



Fees would be payable upfront, at the application stage

Workshop Feedback – App Fee

Consultants

Major housebuilders

Self-lay providers

NAVs

Fine with cost - concerned about extra admin causing a delay

Cost should reflect size of development

Fine with cost - concerned about extra step causing a delay

Budget estimates in pre planning need to stop

Would like a discount if multiple applications are submitted for the same site

Transparency of cost is good

Considering own design however Thames need to make **time a benefit** in this scenario

Would use third party design if there is a **time benefit**

Redesign should be called '**amendment**' and the cost should be smaller than original design fee

Key Points: Admin needs to be slick, there should be a discount for multiple applications & “redesign” should be considered differently than “amendment”



Current options being considered

Elements	Application Fee	Design Fee	Checking Fee	Re-design / Amendment Fee
Charging Arrangements	<ol style="list-style-type: none"> 1. Flat fee 2. Scaled 	<ol style="list-style-type: none"> 1. Flat fee 2. Scaled 	<ol style="list-style-type: none"> 1. Flat fee 2. Scaled 	<ol style="list-style-type: none"> 1. Flat fee 2. Scaled
Billing	<ol style="list-style-type: none"> 1. Collected in advance 2. Part of quote 	Part of Quote (depending on what option they have requested on their application form)		Collected later if applicable

Preference (in green) driven by...

Key Points from workshop: Admin needs to be slick, there should be a discount for multiple applications & “redesign” should be considered differently than “amendment”

Other considerations: For redesign / amendment fee this should be a flat fee for a small amendment (to be defined) and same as design fee if major changes (also to be defined)

Checking fee should be supported by an efficient “slick” process





Summary of panel discussion on upfront fees for mains applications

- It was clarified that the fee is not an additional charge – it's just separating the existing costs of application and design out into an upfront payment.

Points raised by panel members:

- Concern that introducing an upfront fee will delay applications. Developers rarely have a company credit card to pay on, so require a VAT invoice to pay against - their experience is that getting this can add two to three weeks on to the process. They're already seeing a similar delay today with upfront fees for service connections. The panel recommended looking at how to make the admin process as slick as possible – for example, could a VAT invoice be auto-generated on application? Alternatively, could developers deposit a 'pot' of money that Thames Water could draw fees against over the course of a year?
- The cost of checking a self-lay or NAV design should be substantially less than the design fee for Thames Water doing the design. Queried if the NAV fee might be cheaper than the self-lay fee, because there is seemingly less to check?
- There need to be clear mains design guidelines to which self-lay providers and NAVs can refer.
- Panel members supported the approach of scaling design fees, e.g. larger sites have to pay a larger sum upfront.
- Whatever the fee structure is, keep it simple so it's easy to understand and remember.



Infrastructure Charges & Credits



Balance of charges



Cash flow



Zonal charges

3 things to
consider for
Infrastructure
Charges &
Credits



What it means for Thames

- We're considering looking at the total value of income offset and asset payments made in 2017-18
- We'll divide by the number of infrastructure charge payments made
- & apply this value as a credit per infra charge going forward

What it means for you

- Credits will be lower than current income offsets/asset payments if you are building on sites where you are laying new mains
- But... credits will be given to sites only requiring a service connection

Workshop Feedback – Balance of Charges

Consultants

Major housebuilders

Self-lay providers

NAVs

The credit shouldn't max out

Agree with our interpretation

Balance of charges will impact housing and land prices.
Concerned about what Ofwat are trying to strategically achieve

A reverse incentive for greenfield development or
to build outside of London

Replacing the asset payment
with infra credits will reduce
margins - Big commercial
changes will need to happen

The calculation
should be based on
more than one year's
data

Want a consistent
approach for all
customer segments

Key Points: *Divided feedback.* **Main points considered:** *Agree with TW interpretation, should use more than one year, should be a consistent approach*



Workshop Discussion – Cash Flow



Today

- Income offset given at the quote stage
- Option to pay infrastructure charges before or after connection

Currently income offsets are payable upfront and asset payments are payable at the point mains are vested. In future:

- Credits against infrastructure charges will be made once the connection is made
- If a developer chooses to requisition incumbent companies there will be cash flow implications
- There's an opportunity for Self-Lay Providers and NAVs to innovate and create alternative solutions

Application



Offset applied to quote



Quote

Infras can be paid upfront

Construction

2020:

- Credit given after connection
- Infrastructure charge may not be able to be paid upfront

Application



Quote payment



Quote

Construction

Credit applied to infra charges

Workshop Feedback – Cash Flow

Consultants

Major housebuilders

Self-lay providers

NAVs

Keen to understand change so that we know
how it will impact overall cost

Keen to understand change so that we can
prepare our commercial changes

Upfront and combined charges with credit are favoured (lock in current prices)
however we are the only water company that offers this

Want credit
options of upfront
and staggered
payments to suit
developers

Early certainty is more important than lower cost

Allows SLPs to be innovative with
own charging. Some early
considerations to become a NAV

Extra admin for you is extra
admin for us

Concerned about
future funding if
developers lock in

Key Points: *Certainty is critical, want flexible payment options* **Other point:** *developers locking in too long could impede competition (see transition)*





Scaling of infrastructure charges so that zones with greater network reinforcement needs have higher prices

Homeowners would be impacted

Table discussion

Would this be transparent & how easy would it be for developers and customers to follow?

Would this act as an incentive for where to build?

Workshop Feedback – Zonal Infra Charge

Consultants

Not expected to change behaviour unless infras are set at an outrageous level – other important factors when choosing a site

Uncertainty of this model seem to override the intent of fairness

Some businesses are not set up to deliver growth in other areas

Reverts back to the old way of Developers funding network reinforcement

Major housebuilders

Self-lay providers

Not relevant as SLPs don't directly pay infras

NAVs

If our charges are higher than NAVs this is good for competition

Could be fixed if you own your own land

Concerned if it's fair for homeowners

Key Points: *Zonal not expected to change behaviour*



Current options being considered

Elements	Infrastructure Charge	Infrastructure Credit
Charging Structure	<ol style="list-style-type: none"> 1. Flat fee per connection 2. Zonal 	<ol style="list-style-type: none"> 1. Flat credit on all connections 2. Scaled credit 3. Credit only on larger developments
Billing	<ol style="list-style-type: none"> 1. Choice of Payment in Advance OR Payment in Arrears 2. Payment only in Arrears 3. Staggered Payments 	<ol style="list-style-type: none"> 1. Credit applied at same time as infrastructure charge payment* 2. Credit always applied on connection
Tariff Calculation	Expected cost of network reinforcement + adjust for 5 year rolling average / expected number of connections	<ol style="list-style-type: none"> 1. Using total amount of income offset / asset payments made in 2017/18 2. Using an average amount of income offset / asset payments applied in 2-3 year period 3. Calculating total credit required to maintain balance of charges

Current preference based on feedback:

Key Points from Workshop:

Agree with TW interpretation, should use more than one year, should be a consistent approach

Certainty is critical, want flexible payment options

Zonal not expected to change behaviour





Summary of panel discussion on infrastructure charges and credits

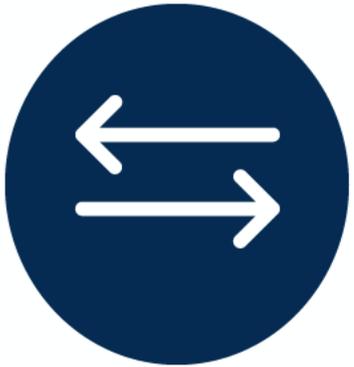
Points raised by panel members:

- Concern that the example methodology shown at our charging workshop on 13 June 2019 for calculating the new 'credit' would unfairly penalise mains-layers. The panel felt the principle of a scaled credit against infrastructure charges seemed fairer. Panel advised that it would depend on the detail, and it was hard to comment fully without seeing further worked examples.
- The panel liked the ability to receive the credit upfront if they paid their infrastructure charges upfront.
- Panel concurred that zonal infrastructure charges would be very unlikely to influence decisions of where to develop.
- Advised that (for transparency) our current mains quote could set out the income offset more clearly, as well as our excavation costs. Highlighted that UK Power Networks break excavation charges out as a third column in their charging arrangements.



Transition Arrangements

Transition



Workshop Discussion - Transition



Handling new connections under the old rules when the new rules are live

Avoiding double payments in the changeover

- We can't offer an income offset/asset payment *and* also a credit under the 2020 model

Length of time

- We'll need to set a length of time for the changeover period to run

Administration and cost

- A longer transition process would increase our admin burden and make our service more expensive



We need to minimise disruption to ongoing schemes while reducing overhead and confusion

Workshop Feedback - Transition

Consultants

Major housebuilders

Self-lay providers

NAVs

Need scenarios to give effective feedback

Need a proactive transition like 2018:
Quote under new rules and let Developer's choose
If phased work – lock in after payment
Run transition for 2-5 years

We should honour the lifecycle of the development
on the original agreement

Keep transition simple

Need to develop own transition
arrangements for quotes based
on Thames process

IO arrangements
prior to 2020
should be
honoured to
prevent legal
challenges

Need a firm price to enable negotiation with Developers

Key Points: *Keep it simple but consider phased works, honour agreements & need to co-ordinate with SLP and NAV arrangements*



Current options being considered

Amended to correct error spotted on the day

Service Connections & Mains

Option A	Option B	C (Additional Parameter)
1. Works that are both quoted, paid for and commencing on or after 1 April 2020 – NEW RULES		
2. Works quoted and paid for and commencing before 1 April 2020 – OLD RULES		
3. Works quoted and paid for before 1 April 2020 but not commencing until after 1 April 2020 CHOICE OF RULES	3. Works quoted for before 1 st April 2020, paid for before expiry but not commencing until after 1 April 2020 OLD RULES if accepted/paid for before expiry of quote NEW RULES if not accepted /paid before expiry and/or requote requested (fee applicable)	Works quoted for before 1st April 2020 and not commencing within 365 calendar days of acceptance - NEW RULES <i>In addition to A&B</i>

Current preference based on feedback:

Key Points from workshop: *Keep it simple but consider phased works, honour agreements & need to co-ordinate with SLP and NAV arrangements*



Current options being considered

Self Lay / NAVs

Option A	Option B	C Additional Parameter
1. Works for which you enter in to a self lay or bulk supply agreement on or after 1 April 2020 – NEW RULES		
2. Works for which you enter in to a self lay or bulk supply agreement and work commences before 1 April 2020 – OLD RULES		
3. Works for which you enter in to a self lay or bulk supply agreement before 1 April 2020 but TW work commences after 1 April 2020 CHOICE OF RULES	3. Works for which you enter in to a self lay or bulk supply agreement before 1 st April 2020 and TW work not commencing until after 1 April 2020 OLD RULES	Works for which you enter in to a self lay or bulk supply agreement before 1 st April 2020 and TW work not commencing within 365 calendar days of agreement NEW RULES <i>In addition to A&B</i>

Current preference based on feedback:

Key Points from workshop: *Keep it simple but consider phased works, honour agreements & need to co-ordinate with SLP and NAV arrangements*

Other Considerations: *Will require co-ordination with self lay / Navs in order to provide like for like quotes to developers pre April 1st*



Summary of panel discussion on the transition between old and new charging rules.



Points raised by panel members:

- The proposed transition model seems fair. An important thing is that it is simple to understand.
- When you changed your charges in April 2018, you sent out quotes in Feb 2018 showing the price under the old rules and the new rules. This was very useful.



Water Efficiency

Water
Efficiency



Workshop Discussion - Water Efficiency

Table discussion

We already encourage efficiency measures through visits and devices

Making a new incentive big enough to genuinely change developer designs may not be possible

This cuts across all of the charging principles:

- Fairness and affordability
- Environmental protection
- Stable and predictable charges
- Transparent and customer focused charging

Where do we strike the balance?

Water Efficiency

Consultants

Incentive is too small to give a sufficient incentive
Only regulations can change behaviour

Severn Trent have scheme – mixed views

Major housebuilders

Self-lay providers

No incentive to change

NAVs

Anglian have a water calculation paying a per connection incentive to install shower head and fitting

TW current thinking is to drive change through policy, not charges



Summary of panel discussion on water efficiency

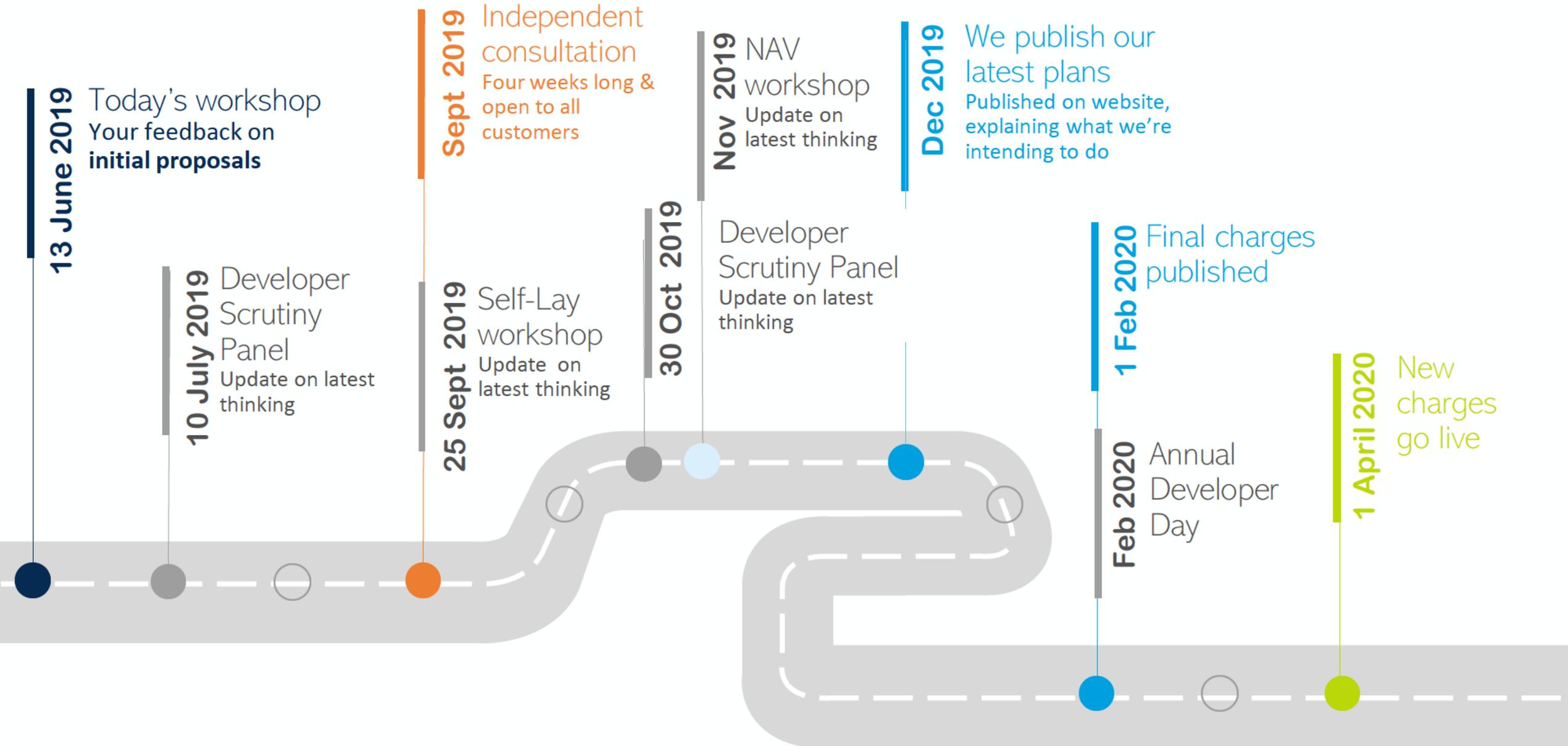


Points raised by panel members:

- Panel agreed that using charges to drive water efficiency would be very unlikely to influence decisions, and it's policy that is the primary factor.



What's next?



Independent charging consultation

Two way research

- Held in September
- Representing all large scale customer groups
 - Homebuilders
 - Consultants
 - Self-Lay providers
 - NAVs
- Format
 - Sign up – late July
 - Pre-read – September
 - Phone call or email research – September

Open published document

- Hosted on our website and open to all customers – September
- Results collated independently

1. Can we sign your company up?
2. Who is best to participate?
(which job role)

Summary of panel discussion on consultation.



- Panel were supportive of providing a contact who'd be willing to participate in the research

Water efficiency.



Water Efficiency 'stuff'

1. Actual
vs
Planned
water use

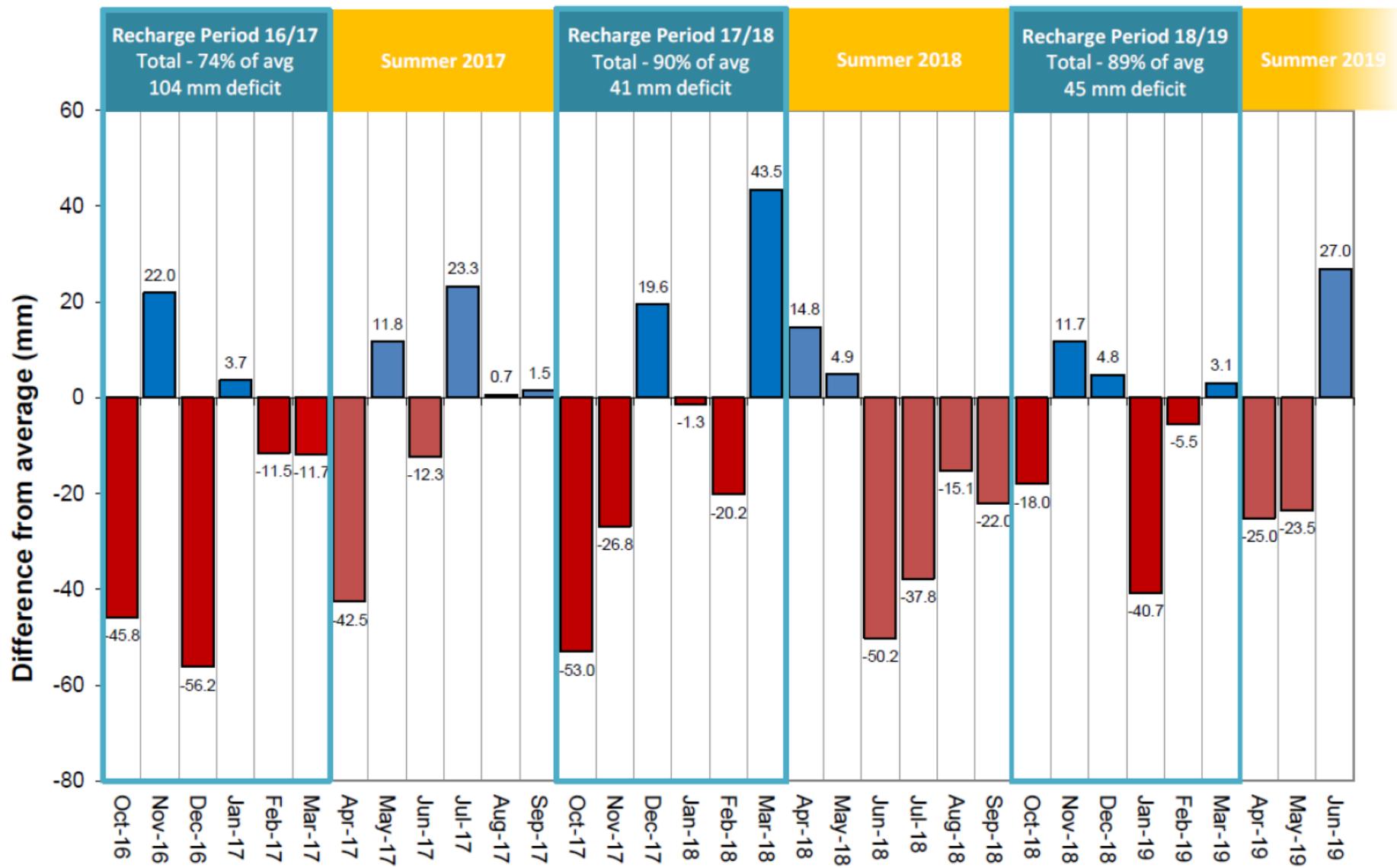
2. Water
Efficiency
leaflets

3. Leaky-
Loos

4. Smarter
Business
Visits



Rainfall



Rainfall notes

- We rely on winter rainfall, but the last three winters have each seen below-average rainfall.
- June's rainfall was high but doesn't make up for the fact that nine of the last 12 months have had below-average rainfall. We are now in deficit.



New housing

Measuring performance: actual vs planned water use



Water Use Research – New Build Homes

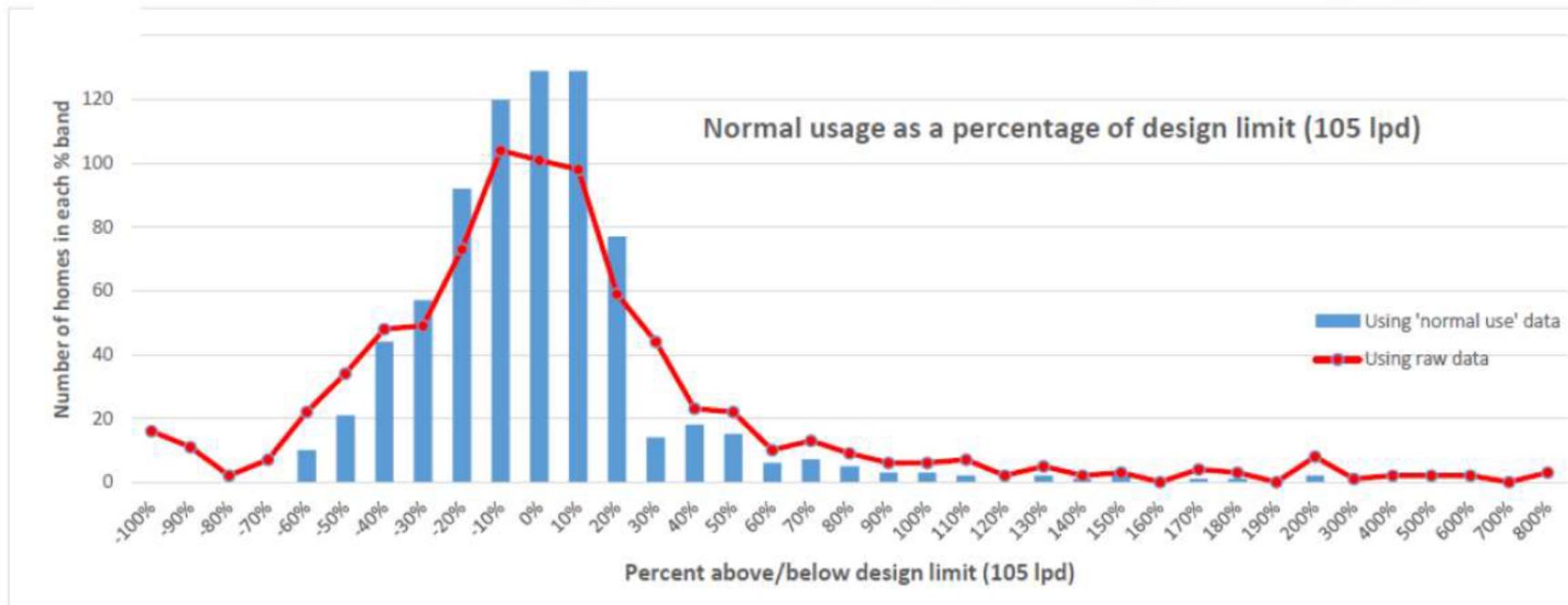
Sample: 760 homes built between 2010-16, to Code for Sustainable Homes Level 3/4 (Design limit **105 litres/person/day** according to Building Regs Part G calculator)

Medium Occupancy Scenario of 2.57

- Average measured PCC for homes with normal use = **110.31 L/day.**
- Measured PCC for homes including those with abnormal high and low usage = **124.5 L/day**

Low Occupancy Scenario of 2.25

- Average measured PCC for homes with normal use = **125.77 L/day.**
- Measured PCC for homes including those with abnormal high and low usage = **140.75 L/day**



Water Use Research – New Build Homes

Can we
benchmark
the actual
water use in
your housing
stock?



In summary

- New homes have been built to a Building Regs standard of 105 litres per person per day, but research has suggested actual usage is 110 to 140, which puts stress on local water resources.
- We'd like to build up an evidence base to find the amount of water that is genuinely being used. Developers are invited to take part.
- All you need to do is send waterefficiency@thameswater.co.uk a list of **property addresses for homes you've built between 2000-2014** (if available, please include bedroom numbers for each development) in London or the Thames Valley.
- We'll do some analysis and provide you with a picture of actual water use per house vs planned water use levels. This will help our future water resource planning, and inform your sustainability agenda.



Promoting water efficiency



Water Efficiency Leaflet – for Developers

If we don't change the way we use water:



We'll need an extra **250 million** litres of water



There's plenty of water to go around, surely?

Not as much as we may think.

Although it feels like we live in a wet and miserable country, the south east of England experiences less rainfall than Sydney and Istanbul. The Thames catchment is one of the most intensively used water resources in the world. Over 55% of effective rainfall in our region has to be put into supply.

Same water, More straws.

Within the next 30 years, the population of London is expected to grow by 2 million people. We want everyone to have enough water. But this will mean households will need to become more efficient with their water use. We also want brand new homes to be as efficient as possible

Industry best fittings.

As developers, you can provide your customers with the best performing devices. Modern, stylish, and the most efficient. It'll make the home cheaper to run for new owners, and boost your sustainability credentials.



Be Water and Energy Experts

For your customers and for your reputation. Helping our customers to become experts in water and energy use, will help them to use these resources more sustainably, and save them money on their bills too.



Outperforming regulations

Rather than regulations being a burden, we can help to outperform water saving codes.

	Litres per person per day Maximum consumption
Part G Compliance	125
Code for sustainable homes (level 1/2)	120
Code for sustainable homes (level 3/4) already mandatory for social housing	105
Code for sustainable homes (level 5/6)	80

Construction usage.

Reducing the amount of water used during construction. Water efficiency begins before the home.

Water Efficiency Leaflet – for tenants

Plenty of water to go around?

Not as much as we might think. Although it feels like we live in a wet and miserable country, the south east of England experiences less rainfall than Sydney and Istanbul. The Thames catchment is one of the most intensively used water resources in the world. Over 55% of effective rainfall in our region has to be put into supply.



Same water, More straws.

Within the next 30 years, the population of London is expected to grow by 2 million people. We want everyone to have enough water. But this will mean households will need to become more efficient with their water use. We also want to encourage brand new homes to be as efficient as possible

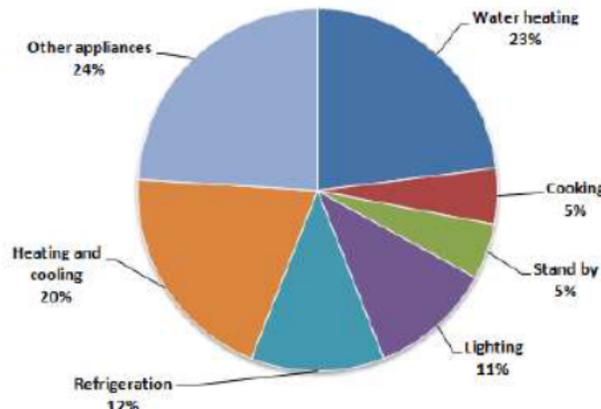
How do you use water?

In the Thames Water region, the average usage per person is 143 litres per day. Here is how water is used in the home:



In hot water.

In new, well insulated homes, more energy is used to heat water for bathing and appliances, than is used to warm spaces.



Cool down your energy bill by saving hot water

Here's what you can do reduce what you use:

- Always fully load your washing machine and dishwasher
- Leaky loos: No matter how old your toilet, there is a chance it may leak, and this could waste 800 litres every day.
- Showers: reduce the time spent in the shower to around 4 minutes, and you'll save water and energy.



Be a Water and Energy Expert

Get to know how much water and energy you use in the home, go online and use our simple and effective calculator to find out where you can save:

www.thameswater.co.uk/be-water-smart/water-saving-calculator

Leaky loos



What is a leaky loo?

- Leaky loos are a constant flow of water into the toilet bowl. This could be a tiny trickle or a large flow.



Leaky-loos are losing more water than dual-flushes are saving

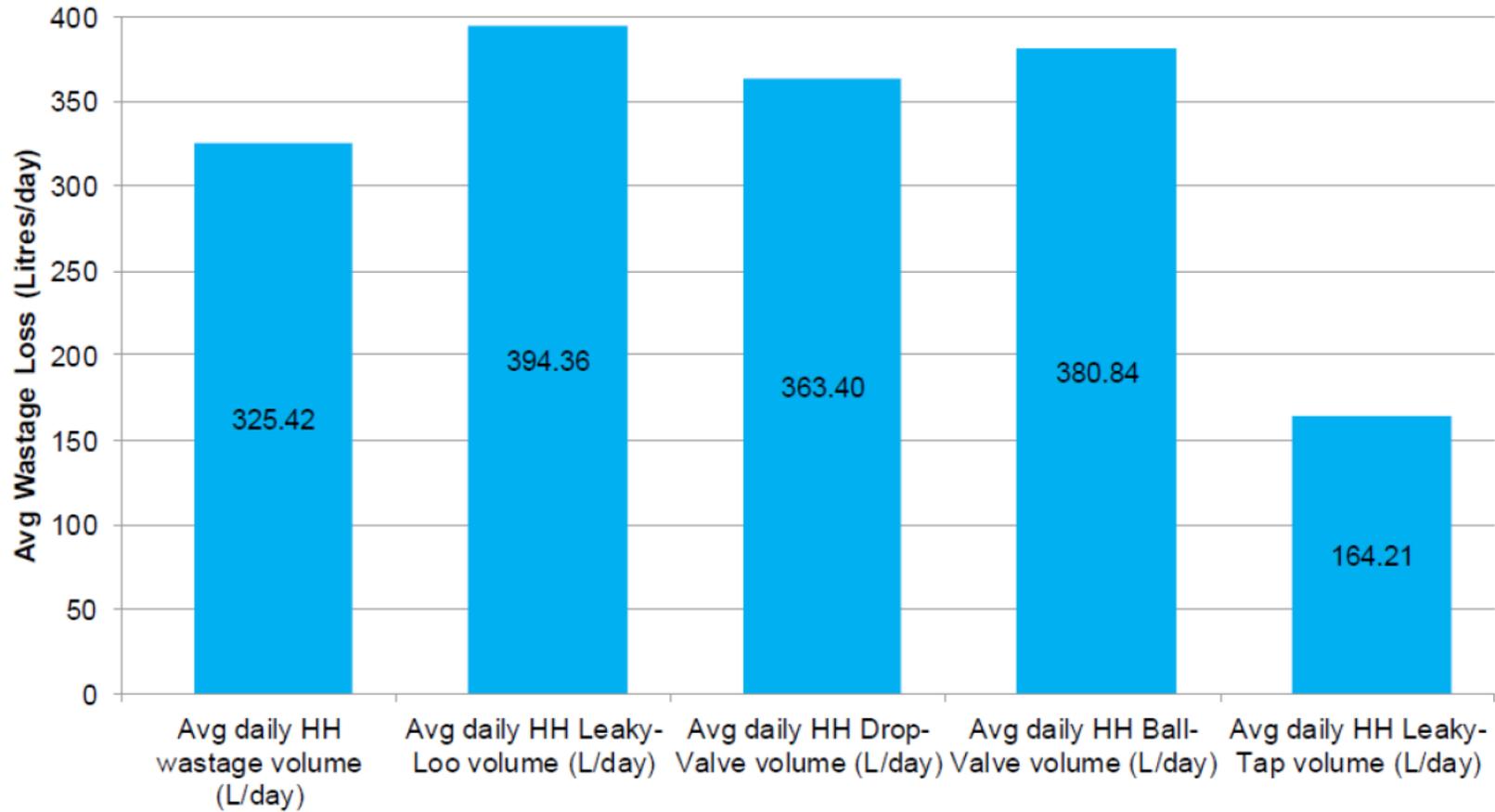
Scenario: Thames Water 300,000 smart metered households

	Dual-Flush Water Savings	Leaky-Loo Water Loss
No. Households	300,000 households	300,000 households
@ 50% Dual-Flush Loos	150,000 households	150,000 households
Water Savings per House	20 litres	
@ 5.92% Leaky-Loos		8,880 homes
Water Loss per House		400 litres/house
TOTAL Water per Day	3,000,000 litres saved	3,552,000 litres lost



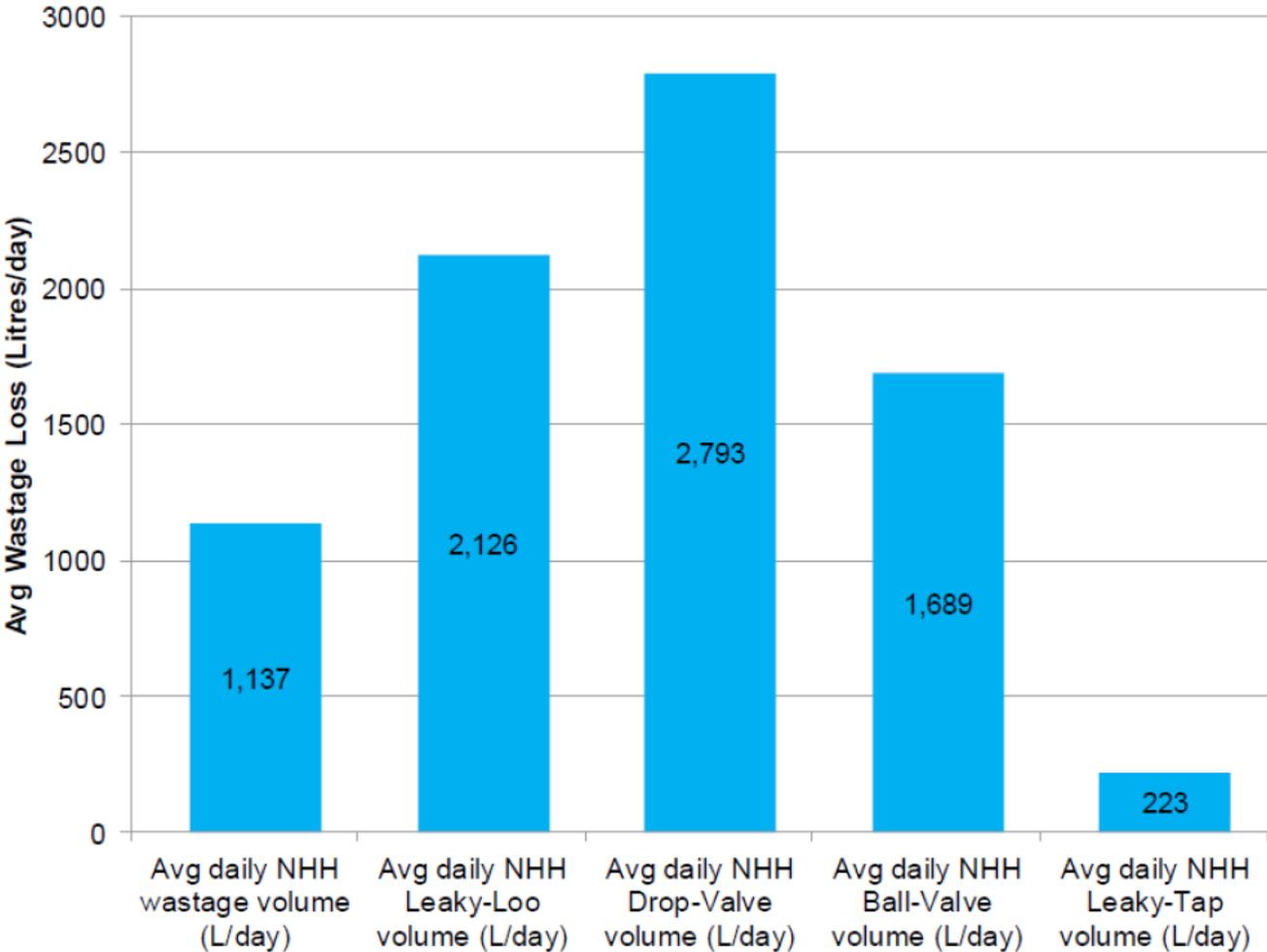
Leaky-Loo evidence

Average water loss in households (l/day)



Leaky-Loo evidence

Average water loss in business properties (l/day)

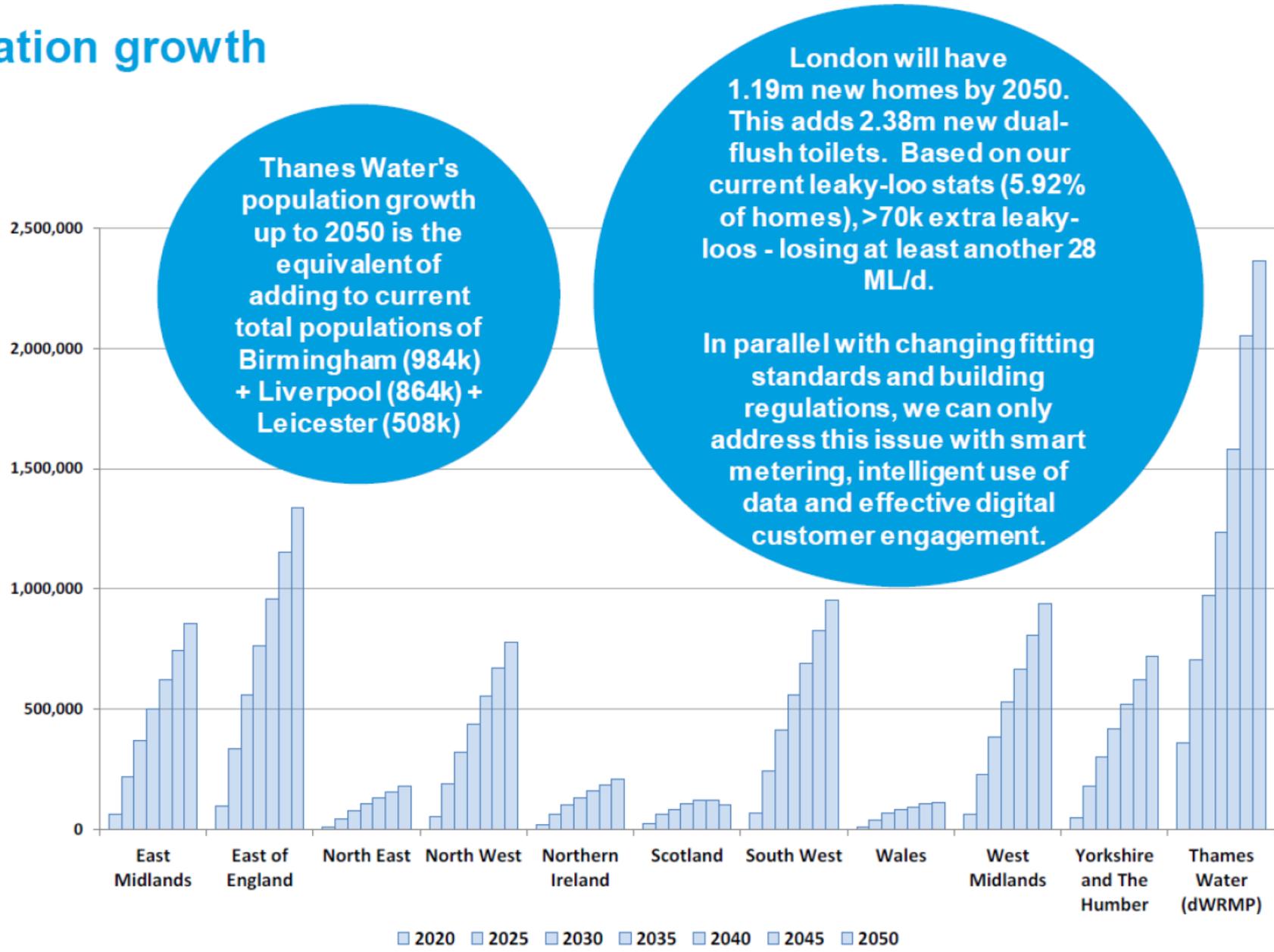


Leaky-Loo Headlines

- Leaky-Loos are becoming a more common cause of water loss
- About **5% of homes** in the UK have a leaky-loo
- Average water loss is between **215 and 400 litres per day**. 8,000 l/day losses are being recorded
- Leaky-loos are **+95% dual-flush toilets**
- Approx. **50/50 split drop-valve and inlet filling valve** failures
- Failures are being recorded on all brands, but some brands are failing more than others
- Washer material (rubber/plastic) is cracking, shrinking, distorting.
- Ball/Inlet valve mechanisms failures from poor design and poor materials, not from poor installation
- Failure times: Drop Valve/Washer = 2yrs onwards. Ball/Inlet Valve = 5yrs onwards



Population growth



Leaky-loo 'wish list'

Tiled-in WC
cisterns
make leaky
loo repairs
difficult



We need to
inform
facilities
managers
and
tenants

Thames Water – water efficiency leaflets

Water Efficiency Leaflet – for Developers

If we don't change the way we use water, we'll need an extra 250 million litres of water every day in London and the Thames Valley by 2050.

Industry best fittings. As developers, you can provide your customers with the best performing devices. Modern, stylish, and the most efficient, it'll make the home cheaper to run for new owners, and boost your sustainability credentials.

Be Water and Energy Experts For your customers and for your reputation. Helping our customers to become experts in water and energy use, will help them to use these resources more sustainably, and save them money on their bills too.

Outperforming regulations Rather than regulations being a burden, we can help to outperform water saving codes.

Construction usage. Reducing the amount of water used during construction. Water efficiency begins before the home.

There's plenty of water to go around, surely? Not as much as we may think. Although it feels like we live in a wet and miserable country, the south east of England experiences less rainfall than Sydney and Istanbul. The Thames catchment is one of the most intensively used water resources in the world. Over 95% of effective rainfall in our region has to be put into supply.

Same water, More straws. Within the next 30 years, the population of London is expected to grow by 2 million people. We want everyone to have enough water. But this will mean households will need to become more efficient with their water use. We also want brand new homes to be as efficient as possible.

Facilities manager checklists & water audits

Area	Your annual water use:	Calculated water use:	Calculated energy use:
Guest rooms	80,000 m ³ per year	67,262 m ³ per year	88,051 kWh per year
Main kitchen			
Communal washrooms	Potential water savings: 64,248 m ³ per year	Potential water cost savings: £114,824 per year	Potential energy cost savings: £1,078 per year
Plant room			
Outdoor & garden use			
Bar			

Key Performance Indicator

Best | Typical | Excessive

Current Performance: [Indicator]

Potential Performance: [Indicator]

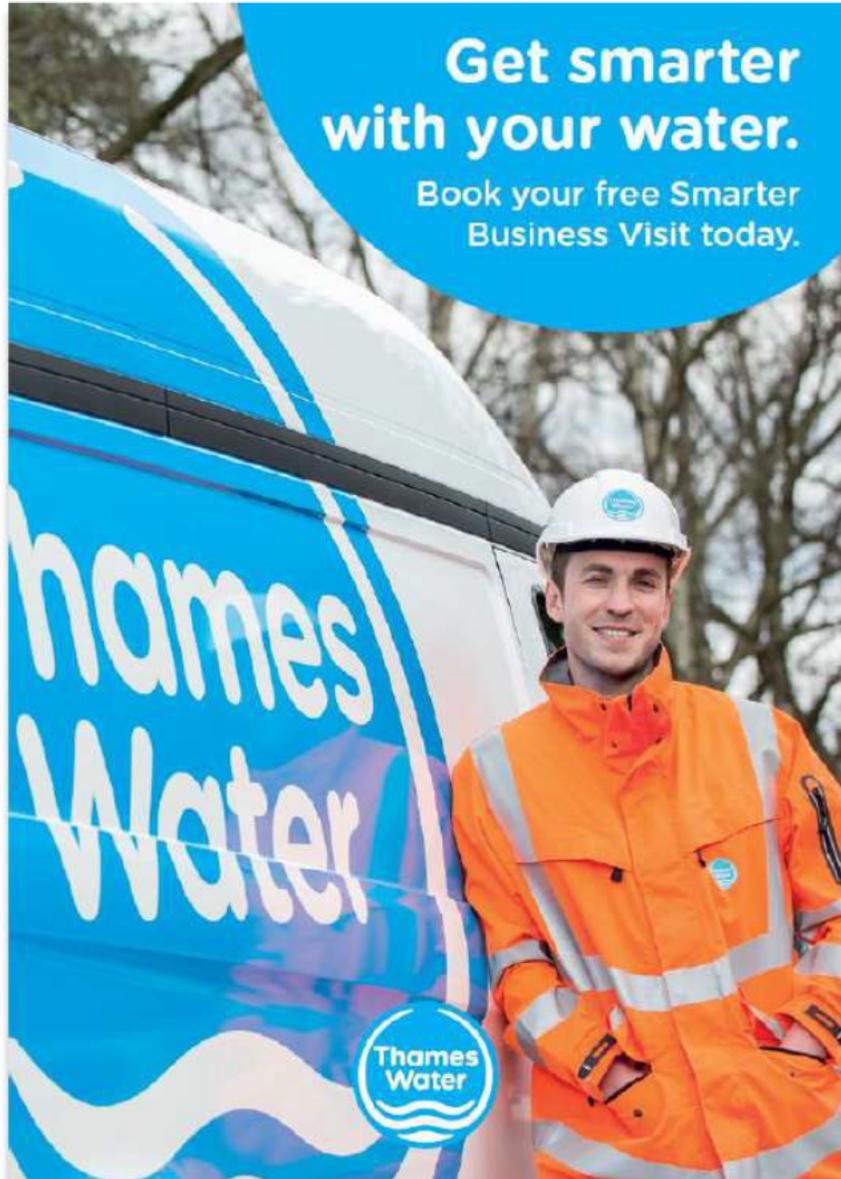
Smarter business visits



Smarter Business Visits

Get smarter
with your water.

Book your free Smarter
Business Visit today.



Saving you money.

An average business could reduce their water usage by 1000 litres a day, saving an estimated £800* on their annual running costs. That's why, we're offering businesses in your area a free Smarter Business Visit to help save you water and energy, as well as money on your bills.

What happens during a Smarter Business Visit?

If you book an appointment you will receive a visit from a water expert, who will review your business bathroom and kitchen facilities. They will recommend the best solutions for your business and fit water devices suitable for your premises. The visit and any devices we fit are free and will help save water and money from your bills.

We can offer you the following free services:

Free installation of water saving products*

- Ecobeta – convert an older single flush toilet to dual flush
- Save-a-flush – installed in cisterns over 6 litres in size, can save 1.2 litres every flush
- Tap inserts – reduce tap flow rate to 3.5 litres/min
- Showerhead & Showersave – Regulate the flow to 8 litres/min on showers (not suitable for electric showers)

We'll find and fix your leaky loo for free

A leaking toilet can waste around 400 litres/day on average and each one could cost you an additional £300 per year on your water bill.

You may not have noticed a leak as there'll just be a constant trickle down the back of the toilet pan.

We're currently offering one-off free fixes.

Free urinal controls

We can help you identify uncontrolled/inefficient urinals and offer a free installation of urinal sensors where possible.

Sensor controls can offer you a saving of 80% on average when compared with uncontrolled flushing.

*We'll recommend and fit water devices after reviewing the best solutions for your business. We may not fit all of the devices listed above if we feel that they're not appropriate for your premises. Savings estimated using 2017 data and subject to change.



Book your Smarter Business Visit now

Right now we are in your area, but the offer of a visit is time limited. Get in touch with us today to book your visit



london.sbv@groundwork.org.uk



020 3638 4321

the water, maintain pipes and deliver the water to your property, and in some cases, we'll remove your wastewater too.

So although we supply your water, if you have any problems with your water or wastewater, you should contact your retailer.

For more information visit <http://www.open-water.org.uk/>

Can I still book a Smarter Business Visit?

Yes. Even though we aren't your retailer, we are still offering you this service for free. We'll let your retailer know the visit is taking place, but any communication about this will come from us.

Why do you want to help me save water and money?

Each day, 2.6 billion litres of water is used by 9 million customers - but the ever-growing population means that, by 2020, there will be a shortfall of 133 million litres in London per day.

Water is a precious resource. And with more people in our area, it means there's less water to go around. We're doing everything we can to make sure there's enough water for everyone, but we need your help too.

Here's how we have helped others in your area

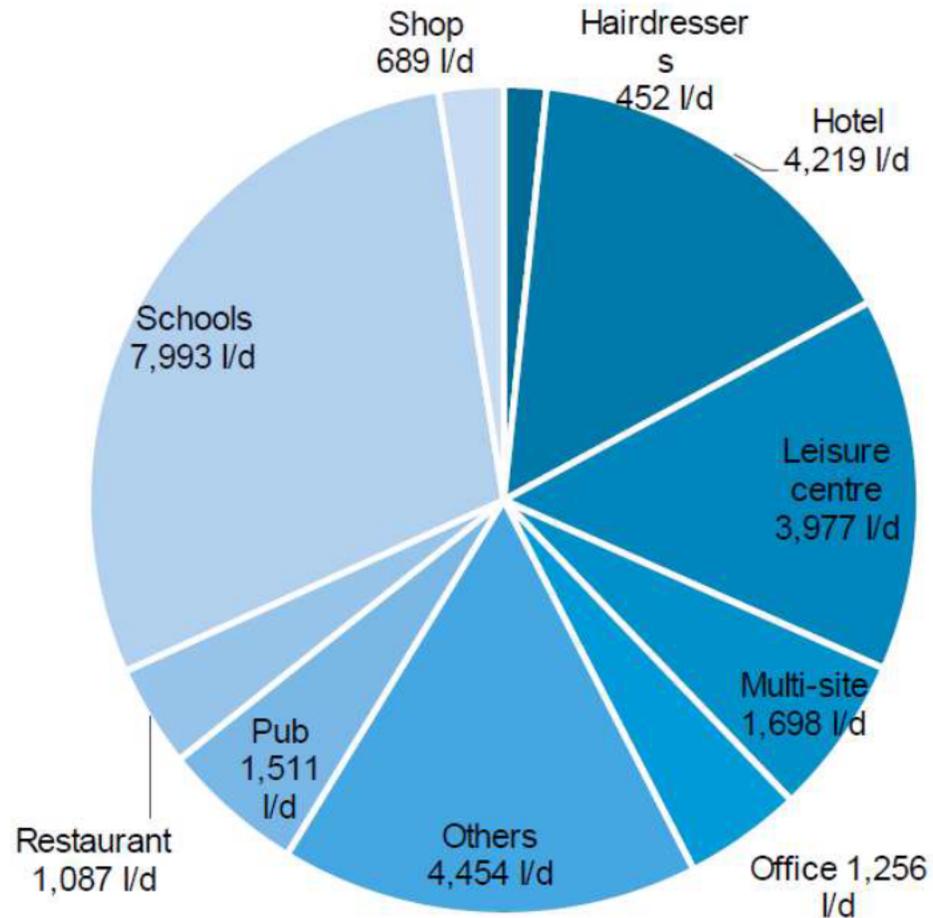


“A great big ‘Thank You’ to yourself, Stuart and Paul for going the extra mile. For doing the extra work on the pipework that was leaking, putting in control valves on our urinal flushes and showing us how to save money on water!”

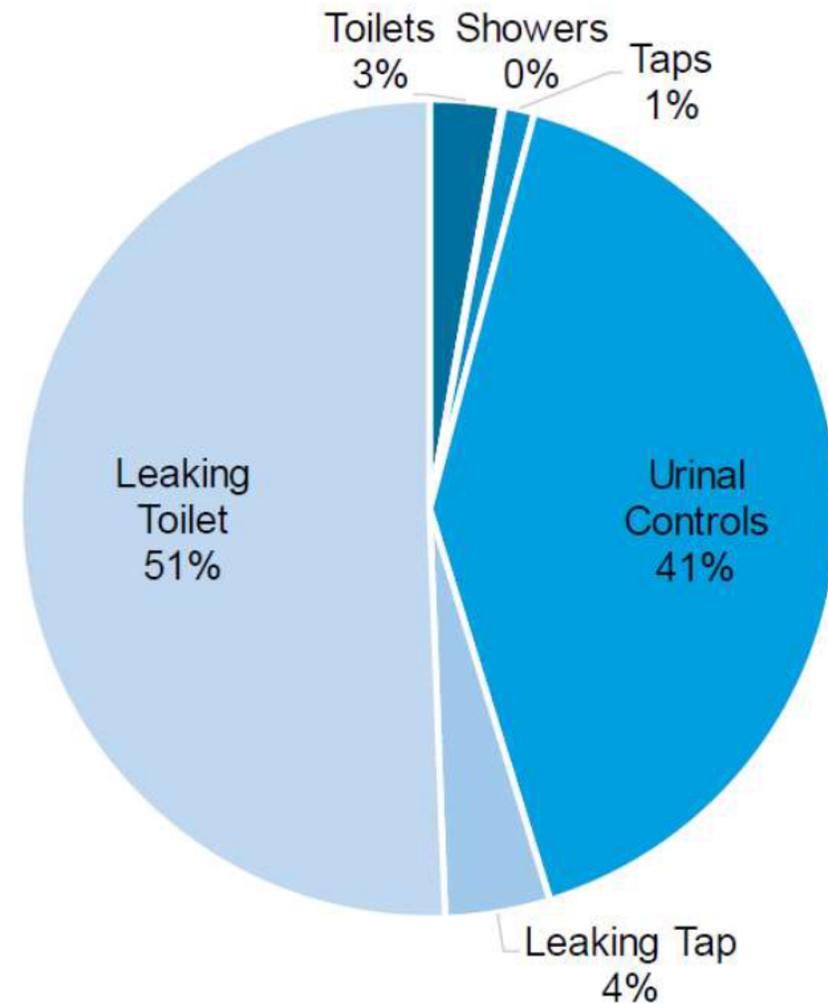
Edmonton Baptist Church

Smarter Business Visits

Which business saves the most water?



What saves the most water in businesses?



How to book a free visit

Email: London.sbv@groundwork.org.uk

Call: 020 3638 4321





Summary of panel discussion on water efficiency.

- Panel were interested in participating in [REDACTED] water consumption studies – [REDACTED] advised all he'd need was a list of property address for homes built between 2000-2014 in London or Thames Valley (also including information on bedroom numbers specific to each development, if available).
- Panel advised the promotional leaflets should be less text heavy when finally designed
- Panel advised all large developers will have group deals on plumbing suppliers – policy needs to influence the performance of dual flushes to address the leaky loo problem
- Panel were interested in the Smarter Business Visits scheme, adding that it would also be useful for site offices that were static for a number of years.
- [REDACTED] (Lendlease) invited [REDACTED] to meet with the Lendlease Sustainability Team



Lunch



Code for Adoptions.



What we'll cover.

- Quick recap on what the Code for Adoptions is
- Current programme and next steps for both Waste and Water Codes
- SuDS latest position
- Pumping station adoption process
- Insights
- Q&A



What is the code for adoptions?

Ofwat's code requires water and sewerage companies to:

- create and follow clear **sector guidance**
- adhere to new, agreed **Levels of Service**
- use standardised **model adoption agreements**

...and only deviate from them in certain, specified circumstances.



What does this mean?

All water and sewerage companies will follow a **standard process** when dealing with **wastewater asset adoptions** and **self-laid water pipes**.

This will mean that almost every company will be **making some changes to the way they interact with you** once this is implemented.

Current programme status.

Water adoptions (self-lay)

- Redrafting of the Sector Guidance and Model Adoption Agreements following Ofwat's initial review.
- Further external consultation will be conducted on the documents with a view to resubmit to Ofwat in September.
- **Go live date?** Potentially end of October, though the new timeline has not yet been approved by Ofwat.

Wastewater adoptions

- Ofwat have provided early comments on some aspects of the submission.
- Water UK are expecting Ofwat's initial formal response at the end of this month including feedback on the proposed Go-Live date of April 2020.
- **Go live date?** Current date is October 2019.



Adoption of SuDS

- Still awaiting feedback from Ofwat on the Waste Codes proposals, including definition of SuDS and scope for adoption.
- Our current position (as at 10 July 2019) is as follows:

We support the concept of SuDS and their increasing inclusion in new developments. They can provide numerous benefits for our sewer network and the environment. However, while we're happy to adopt SuDS, we disagree with Water UK's proposal that they should be adopted as sewers as this create 3 significant unintended consequences:

1. Right to Connect
2. Private sewer transfer
3. Competition



Adoption of Developer-built pumping stations

- **Current Insight & feedback**

Highlighted at Developer Day, feedback from our CRMs, frequent escalations & complaint history

- **Known issues**

Too many internal handoffs, delays at obtaining approval of M&E design, inspection sign offs, telemetry configuration and land transfer.

- **Our proposed approach**

Complete end to end review of our processes with all internal stakeholders - complete

Share known pain points and areas for improvement with panel

- **Next Steps**

Deep dive sessions to set new process pain points to improve efficiency and customer journey



3. Construction

- a) Arrange and attend 'pre start up' meeting
- b) Begin construction
- c) Request and receive inspections as needed
- d) Finish construction



1. Application

- a) Prepare supporting information
- b) Complete application
- c) Receive acknowledgment of complete or incomplete plans
- d) Receive technical approval



2. Legal agreement

- a) Receive request for legal drawings and contacts
- b) Prepare drawings, arrange survey and land matters
- c) Submit documentation
- d) Receive legal agreement



4. Telemetry

- a) Prepare and submit documentation
- b) Request and receive testing
- c) Receive substantial completion and place on maintenance period



5. Transfer of BT/Openreach and electric accounts



6. Adoption

- a) Request and receive final handover inspection
- b) Receive vesting certificate

What works well and what doesn't?

The adoption process

Summary of panel discussion on pumping station adoptions (1/2)



- Panel queried what the Codes meant for SFA8? █████ advised that under the Code, SFA8 would cease as a standalone document, instead becoming incorporated into the Design and Construction Guidance that forms part of the Code.
- Panel advised that other water companies are adopting SuDS, and some NAVs are adopting them retrospectively. Developers are pro having SuDS adopted.
- Panel expressed a desire for much clearer guidance on what components are approved for use within a SPS, so there are no queries when the SPS is up for adoption. Also that there should be a choice of components so you can obtain them at a reasonable cost. █████ advised guidance will be published on our website once the Codes go live, under what's known as a 'local practice' - ie guidance specific to TW.
- Panel expressed that the ability to release bonds in phases would be valued. █████ advised that the new 'model adoption agreement' that will come in with the Code would facilitate this.



Summary of panel discussion on pumping station adoptions (2/2)

- Panel emphasised that bonds impact cashflow. Questioned that as NAVs don't charge bonds, do TW have to? Noted that developers need the adoption certificate from TW to achieve a Highways Authority adoption, so this is often a bigger lever than the return of the bond. █████ advised we're currently reviewing bond values and limits.
- Panel said legals are often a issue – need monthly updates on where the case is sitting (e.g. with whose solicitors) so developers can push it along. They do this in electricity sector. Would like to have a direct contact number into your legal department so it's easier to chase. █████ advised the adoption team in Developer Services get an update from our legal team every 2 weeks, so you can ask your direct contact in the adoptions team (as provided on correspondence) for updates.
- Panel highlighted that a key party is often left out of the loop – e.g. the technical approval is sent to the developer, but not their engineering consultant, or vice versa. Both parties need to be kept informed. █████ concurred we need to be better at capturing at the application stage which parties should stay informed throughout the process.



Pre-planning enquiries



Let's use today to review....

- Recent updates to the pre-planning enquiry form
- Pre-planning enquiry response
- How we plan to improve communication



Pre-planning enquiry: Phasing information

Speeds up ability to do modelling

(iii) Your development

To enable us to determine whether the capacity is sufficient or whether further modelling and reinforcement of our network will be required please provide details of the properties currently existing on the site (where applicable) and how you will phase your development. The information you provide at this stage will help improve the accuracy of our assessment. If you have more than 6 phases for your development please add details on a separate sheet.

Property type	Existing site	Proposed site						Total
		Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	
Start on site date	MM YYYY	MM YYYY	MM YYYY	MM YYYY	MM YYYY	MM YYYY	MM YYYY	
Date of Occupation	MM YYYY							
General housing (total units)								
Flat (total units)								
Primary school (max. pupil capacity)								
Secondary school (max. pupil capacity)								
Boarding school (max. pupil capacity)								
Assembly hall (max. capacity)								
Cinema (max. capacity)								

Section C - About the water supply
(Not required if only applying for sewerage connection).

(i) Phasing water supply for your development

If you already have a plan for the phasing of your development please give details below.

Property type	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Date water connection required	MM YYYY					
Estimated peak clean water flow rate (litres/sec)						
Break tank capacity, if any (m ³)						

But ... do you have this information at pre-planning stage?



Pre-planning enquiry response

What the CFA (Clean and Waste Water) says :

1. Be based on the expected development parameters.
2. Indicate the nearest point on the network (if the customer has not indicated a preferred point of connection).
3. Recommend an alternative or technically preferred point(s) of connection Plus rationale.
4. Specify the validity period.
5. Discuss strategic elements of site drainage / review any technical constraints.



Pre-planning report

Report Content

1. Nearest point of connection
2. Alternative connection point
3. Validity
4. Strategic elements / Technical constraints



Separate reports for clean and waste water



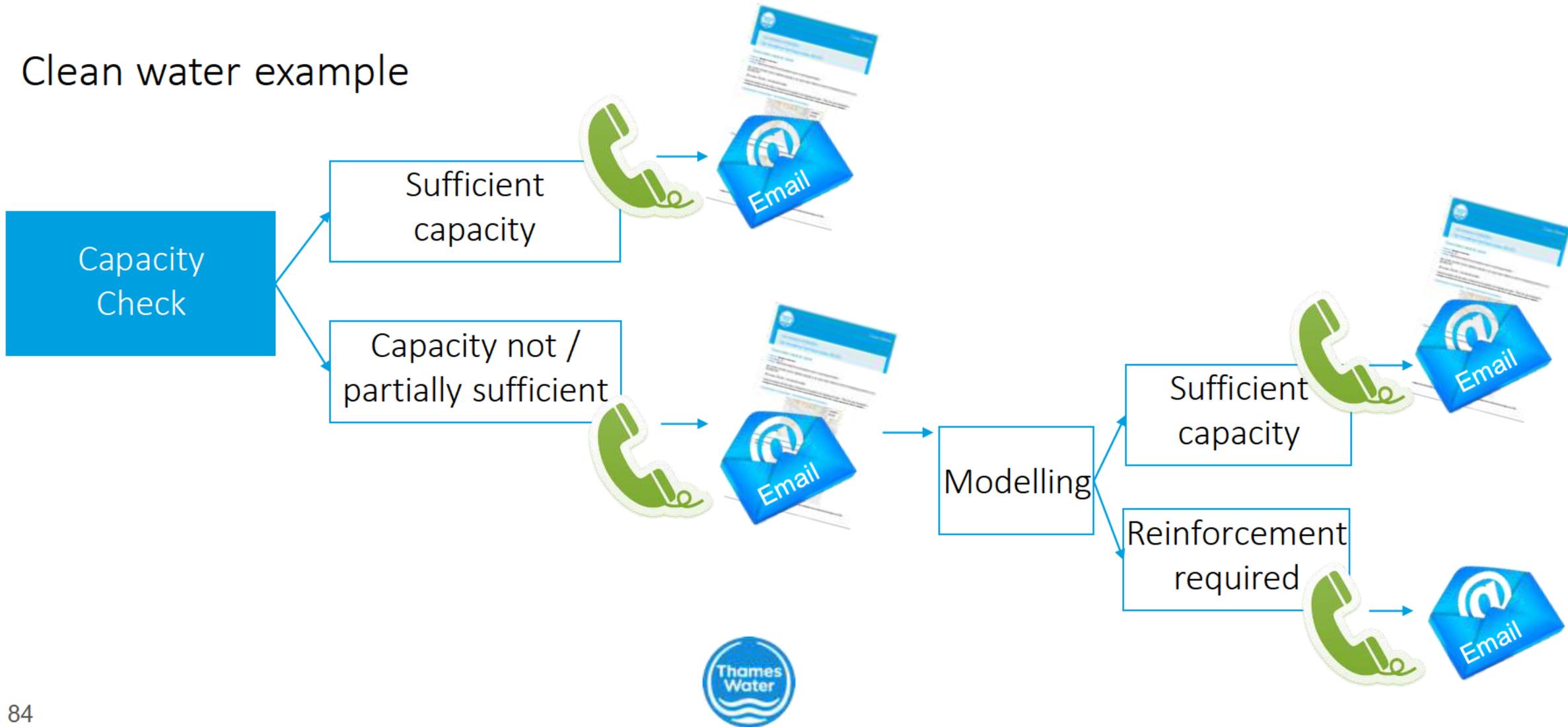
Additional content

Content in addition to the minimum info outlined by the CFA could be included:

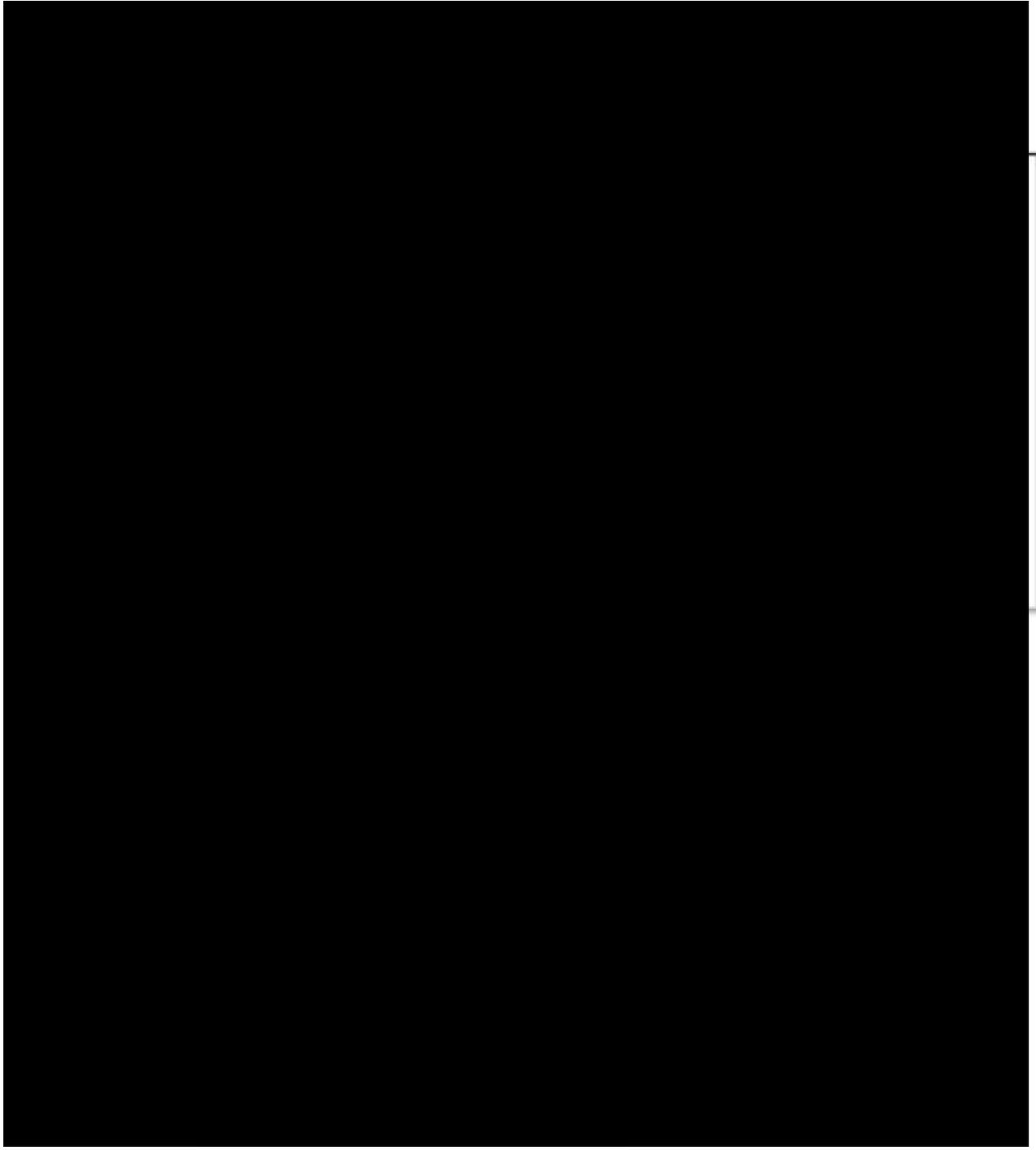
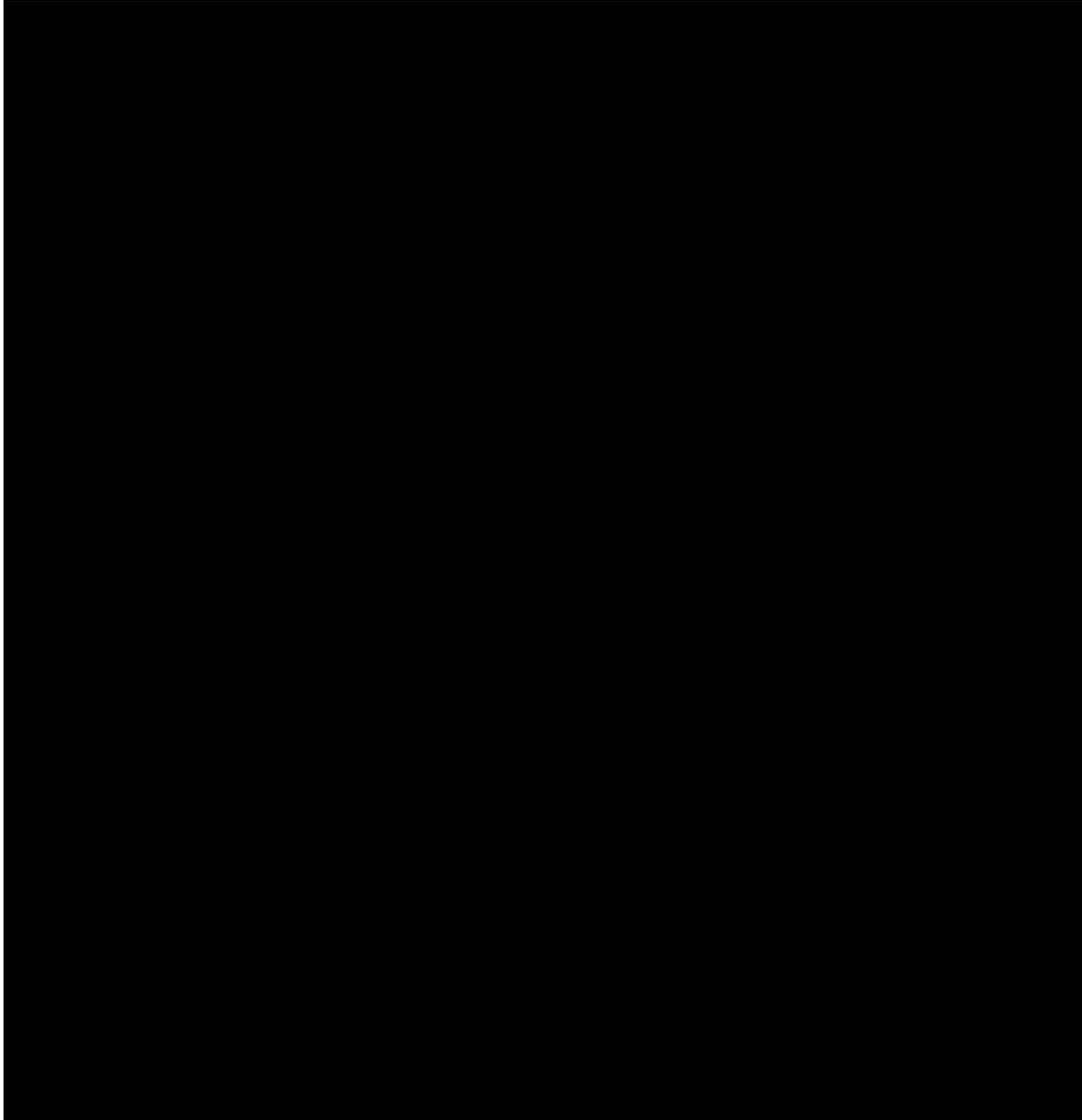
- Water mains crossing or close to your development
- Issues with contaminated land
- Building near a Source Protection Zone

Issuing the report

Clean water example



Our communication today



How we plan to improve communication

- Personal single point of contact for pre-planning process
- Telephone calls followed up with confirmation emails
- Concise emails kept to one page
- Detailed information hosted on website with hyperlink



Proposal



Email Content

1. What we are doing
2. What you need to do
3. What happens next

Hyperlinks in text

Personal contact for the process

Customer journey bar

Your application for a water pre-planning application
Thames Water
To: Customer Name
Tuesday 7 May 11:40

Clean Water

Customer ref: DS01234567
Site address: 123 Anywhere Street, Some Town, 123 ABC

Email header goes here

Hello,

Header goes here
Accabor poriam, odi ament pa inum con res accepta prestiatu magnisi tatur, quame litas et apemat et re distenem atas qui ulparum fuga. Cus maio modis inihill icientibus pore nobis asperum quamus nume consequam esecum eos es sume pro eni blabo.

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Header goes here
Text here mqui bearume ndanduntum est adiamau, please contact our Developer Services team on 0800 003921 or developer.services@thameswater.co.uk.

Kind regards,
Developer Services
Tel number
Email address

Application Design Agreement Construction Connection Vesting Services

Registered address: Thames Water Utilities Limited, Clearwater Court, Vastern Road, Reading RG1 8DB
Company Number 012345678 Thames Water is part of Thames Water Plc Group VAT registration no GB 012-3456-789

ALL email communications in standard format

ONE page length

Guidelines and detailed info hosted on the website

PDF attachments only where agreements/reports need to be included



Summary of panel discussion on pre-planning



- Panel said it was unlikely they'd have phasing information at the outline planning stage, but are happy for it to be an optional field on the application form. Advised we should have some surrounding explanation – e.g. “We’re asking for your development phasing because this will speed up the process should we need to model our network. If you don’t have phasing information, don’t worry – leave this blank and submit the form anyway.”
- Panel queried what happens to the report’s validity period if a planning application goes to appeal
- Panel said the new ‘capacity report’ PDF was much better – Local Authorities have previously questioned the way we issue the capacity results today (i.e. a paragraph in a letter), as it didn’t seem formal enough.
- As a related matter, panel expressed that getting asset plans from TW was painful as developers cannot pay the fee by credit card and have to wait for an invoice before getting the plans. Is auto-invoicing possible here?
- Panel said that the new report, which includes a small map showing the Point of Connection, combined with the ability to use the Ask the Expert service to speak face to face about a site, is a great improvement overall.



AOB



Topics

- Clean delivery team structure
- D-MeX – have you had any calls?



Clean water delivery.



How we deliver mains and service connections.

Thames Water

Pre-planning enquiry

Apply for mains + servs

Design and quote

Field enablement

Discuss delivery dates

Initial site meeting and enabling

Delivery of works

Reinstatement

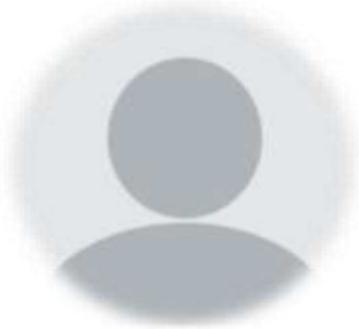
Meters into account

Infrastructure Alliance partners





Our delivery partners.



Thames Valley

North London



South London

TBC
Developer Services
Performance Manager,
KCD Alliance



Contacts for delivery (once you've passed water regs)

Discussing
delivery dates

Initial site
meeting and
enabling

Delivery of
works

Reinstatement

Meters into
account

Contacting our Infrastructure Alliance partners:

North London

Planning Team and Customer Care Team

0203 757 1434

South London

Planning Team and Customer Care Team

0208 946 5100

Thames Valley

Mains and Self-lay Planning

Services Planning

Customer Team





Summary of panel discussion on AOB

- Panel asked for an update on water connection delivery performance at the next panel meeting, with our London and Thames Valley service delivery managers, and our Infrastructure Alliance leads
- One panel member had received a D-MeX telephone call – it was regarding work on a particular site, but as he deals with a lot of sites he couldn't remember site specifics on the spot, so gave answers more generically about the overall service.
- Panel advised we seem to be sending out of date 'meter info sheet' attachments with our water meter quotes



Diary dates.

Proposed next scrutiny panel meeting date: Wed 30 Oct 2019 (half term week)

New connections charging consultation: Starting 2 September 2019

Next Reading office 'Ask the expert' dates: Thu 18 July, Thu 15 August 2019

Quick feedback survey.



Thanks a million.

