



Gathering data about developer services

June 2021

Southern Water Response

Thank you for the opportunity to respond to your consultation on gathering data about developer services. We do have concerns regarding the granularity of the proposed data requirement, especially that for September 2021, which would impose a significant regulatory burden.

Consultation

- Do you envisage having any problems completing the data request for 2021-22 by July 2022, or the historical data for 2020-21 by w/c 20 September 2021?

It will be challenging to complete the historic data request by September 2021 with the data proforma in its current form. We do not hold data at the granular level that is being requested. Providing the data would involve manually reviewing each individual connection, of which we have thousands across water and waste. This would take around 12 weeks to complete. Obtaining quotation information would be particular time consuming to obtain.

We would be better prepared to provide data in July 2022, however this would still require amendments to the data proforma i.e. development size split out to match Ofwat's current definition of small, medium and large. Additionally, NAV data i.e. properties connected should be obtained from the NAV as they are best placed to provide accurate connection data in line with their build out rates.

- If you envisage problems with providing the full historical dataset for 2020-21, what areas would you remove from the data request, or how much additional time would you need to meet the request?

To complete the data request in its current form would take us around 12 weeks. However, this would not be acceptable to us due to the resource pressures as a result of the summer holidays combined with the start of 2022-23 charging reviews, where similar resources will be called upon. We would look to respond using data that was submitted as part of our end of year audits or use an alternative data format i.e. a table splitting out each development/scheme with associated connection and cost data.

- Are the definitions (provided in the cover worksheet) clear enough to mitigate the risk of reporting inconsistencies between companies? If not, what changes would you recommend?

Broadly yes, however further clarity around 'other DS costs' would be beneficial to ensure consistency of reporting.

- Would you be able to provide information on cost drivers, in particular length of communication pipe and surface type (split into made/unmade)?

Yes, we would be able to provide this information. Albeit it would be a very manual process to obtain the data as described above.

- Are there any key new development characteristics you think are missing from the data request and should be included?

No, although the split between commercial and domestic may be useful.

- Is there any additional developer services data you collect that you think would be helpful to Ofwat?

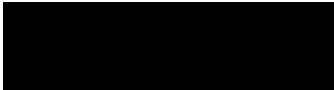
No, although this may become clearer when we start the data gathering exercise.

- Would an alternative data format be more appropriate (e.g., list / table of new developments connected in reporting year alongside relevant cost / revenue data and characteristics)?

We would welcome an alternative data format. The alternative format would still require some manual intervention but a table split by development/scheme with associated connection and revenue data would be far simpler to generate.

Should you have any queries on our response or would like to discuss further, please do not hesitate to contact me.

Yours sincerely,



Dylan Freeman
Markets and Competition