

May 2022

Variation of Independent Water Networks Limited's appointment to include Royal Docks West 2, London

Variation of Independent Water Networks Limited's appointment to include Royal Docks West 2, London

On 11 August 2021, Ofwat began a [consultation](#) on a proposal to vary Independent Water Networks Limited (“**Independent Water Networks**”) appointment to become the water and sewerage services provider for a development in Thames Water Utilities Limited (“**Thames Water**”) water supply area and sewerage services area called Royal Docks West 2, London (“**the Site**”). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 8 September 2021. During the consultation period, we received representations from three organisations, which are summarised in Section 1 of this document.

We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the site will be no worse off than if the site had been served by the existing appointee; and if the applicant will be able to finance the proper carrying out of its functions as a water and/or sewerage company. As set out in our consultation we are satisfied this is the case. The responses we have received to the consultation have not changed that view.

Having assessed Independent Water Networks' application and having taken account of the responses we received to our consultation, we decided to grant a variation to Independent Water Networks' area of appointment to allow it to serve the Site for water and sewerage services. This appointment became effective on 16 May 2022.

The Site maps for the variation can be found in Section 2 of this document.

The legal Variation Notice can be found in Section 3 of this document.

1. Responses received to the consultation

We received responses to our consultation from three organisations: the Consumer Council for Water (“**CCW**”), the Drinking Water Inspectorate (“**DWI**”) and the Environment Agency. We considered these responses before making the decision to vary 's appointment.

The Environment Agency and DWI had no comments to make with regard to this consultation and did not have any objections.

CCW

CCW provided their response on 2 September 2021. It stated that in general it expects new appointments and variation appointees to match or ideally better the incumbent's prices, service levels and service guarantees.

CCW noted that Independent Water Networks proposes to charge customers on the same basis as Thames Water and it is disappointed that there will be no direct financial benefit to customers being served by Independent Water Networks. However, it noted that Independent Water Networks offers discount to customers who are able to and opt to take up e-billing or paying by direct debit.

CCW noted that due to the relatively small size of its customer base Independent Water Networks does not currently offer its financially vulnerable customers a social tariff in the way that Thames Water does. However, CCW noted that Independent Water Networks will offer the standard WaterSure tariff for qualifying customers. CCW stated that this is a dis-benefit of this proposed variation. CCW stated that until Independent Water Networks can provide a formal social tariff, it is appropriate that it tailors some of the services it provides. CCW expects Independent Water Networks to offer appropriate flexible support to any individual in financial difficulty, who would otherwise benefit from a social tariff. It noted that this should not be at the expense of its other customers. CCW said that it recognises that by matching Thames Water's charges, Independent Water Networks already benefits from the cross-subsidiary Thames Water's customers pay to support its social tariffs.

CCW said that it notes that Independent Water Networks generally matches or exceeds Thames Water's service standards, therefore, overall, it supports this application. For example, Independent Water Networks offer greater compensation for low water pressure, or for failing to read a meter once a year, offers a relocation allowance in the event of sewer flooding in some circumstances and it also offers a free leak repair service on customers

external supply pipes. CCW noted our assessment that customers on the Site, will not be any worse off in terms of the level of service they receive from Independent Water Networks, than if they were served by Thames Water and said it is satisfied that this is correct.

CCW noted that we had calculated that there will be an annual increase of £0.02 on the water bills and an annual increase of £0.01 on sewerage bill of existing Thames Water's customers. CCW said that whilst it appreciates that this will have a negligible impact on bills, it is unclear if there are any significant benefits for Thames Water's customers from this arrangement. CCW states its questions the value of a NAV regime if it cannot deliver benefits to all customers.

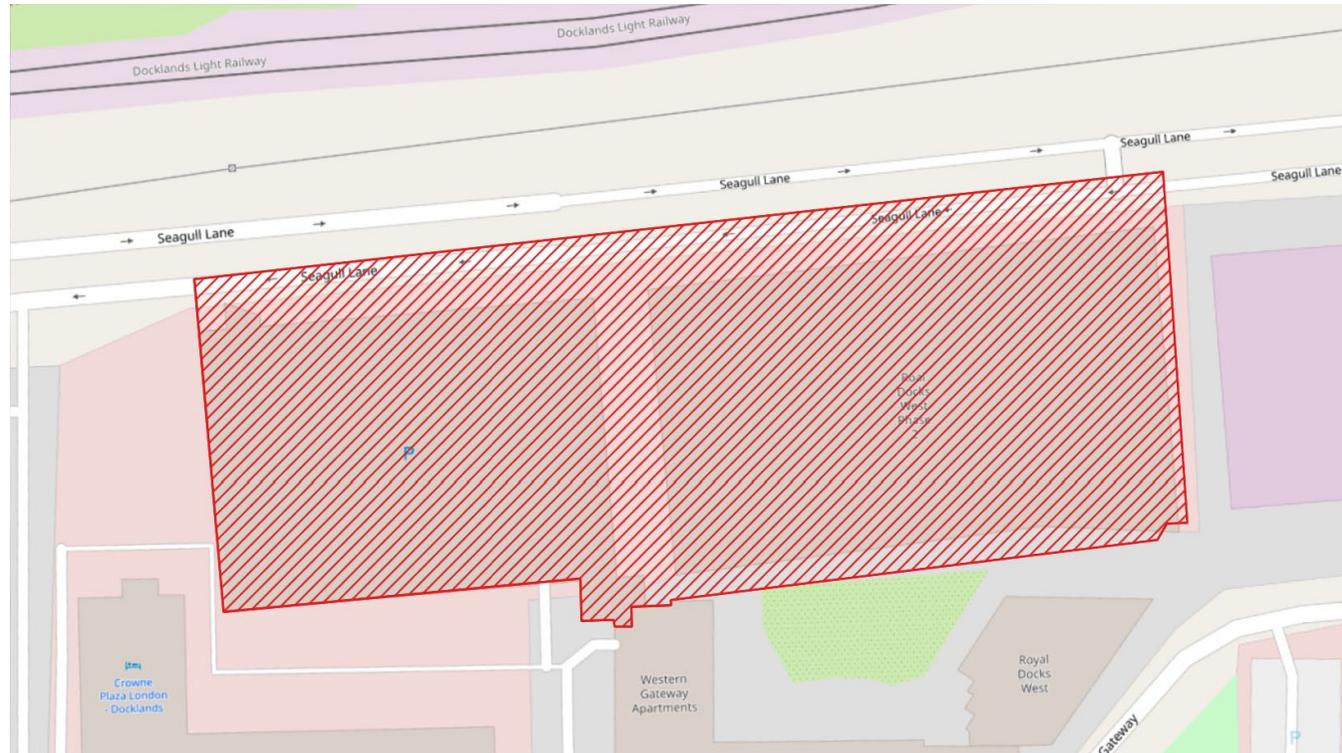
Our response

One of our key policies with respect to new appointments and variations is that customers should be no worse off if a variation is granted. That is, an applicant must ensure its new customers are made no worse off in terms of charges and service than if they had been supplied by the previous appointee. We do not require applicants to better the service and price of previous incumbents.

Vulnerable customers may not be aware of the social tariff that would be available to them if they were served by the incumbent rather than by the applicant. It is the responsibility of the applicant to identify and protect vulnerable customers on the Site. Although the applicant does not offer a social tariff, it should ensure customers will be no worse off.

2. Site Maps

Water Boundary



PLAN REFERRED TO IN THE VARIATIONS OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND THAMES WATER UTILITIES LTD, AS WATER UNDERTAKER, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ... 13/05/2022

ADDRESS: ROYAL DOCKS WEST 2, SEAGULL LANE, ROYAL VICTORIA DOCK, LONDON, E16 1AA
OS GRID REFERENCE: 540376, 180820

SCALE: 1:800
DRAWN BY: MM
DATE: 11/03/2021

0 10 20 m

**ROYAL DOCKS WEST 2
WATER SUPPLY
INSET MAP 1**

PROJECT:



Sewerage boundary



PLAN REFERRED TO IN THE VARIATIONS
OF THE APPOINTMENTS OF INDEPENDENT
WATER NETWORKS LIMITED AND THAMES
WATER UTILITIES LTD, AS SEWERAGE
UNDERTAKER, MADE BY THE WATER
SERVICES REGULATION AUTHORITY ON ...
13/05/2022

ADDRESS: ROYAL DOCKS WEST 2, SEAGULL LANE,
ROYAL VICTORIA DOCK, LONDON, E16 1AA
OS GRID REFERENCE: 540376, 180820

SCALE: 1:800
DRAWN BY: MM
DATE: 11/03/2021

0 10 20 m

**ROYAL DOCKS WEST 2
WASTE SERVICES
INSET MAP 3**

PROJECT:



3. Variation Notice

WATER SERVICES REGULATION AUTHORITY
WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9

Variation of the Appointments of Independent Water Networks Limited and Thames Water Utilities Limited as Water and Sewerage Undertakers

Made on 13 May 2022

Coming into effect on 16 May 2022

1. Independent Water Networks Limited ("Independent Water Networks") and Thames Water Utilities Limited ("Thames Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Independent Water Networks and Thames Water as water and sewerage undertakers relate ("Water Supply Area" and "Sewerage Services Area") are set out in their Instruments of Appointment.
2. The site called Royal Docks West 2, Royal Victoria Docks, London, which is shown edged in red on the plan attached to this variation ("the Site") is within Thames Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Mount Anvil.
3. Independent Water Networks has applied under section 7(4)(b) of the Water Industry Act 1991 ("the Act") for a variation of its Appointment as a water and sewerage undertaker to include the Site and for a consequential variation of Thames Water's Appointments to exclude the Site.
4. On 27 June 1995, the Secretary of State for the Environment and the Secretary of State for Wales acting jointly and pursuant to sections 6(1) and 7(2) of the Act authorised the Director General of Water Services² to make variations such as those contained in paragraph 5 below. After public consultation, as required by section 8 of the Act, the Water Services Regulation Authority has decided that it should grant Independent Water's application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Mount Anvil, the Water Services Regulation Authority **varies**—
 - (a) the Appointment of Independent Water Networks as a water and sewerage undertaker so that the Site is included in Independent Water Networks' Water Supply Area and Sewerage Services Area; and

(b) the Appointment of Thames Water as a water and sewerage undertaker so that the Site is excluded from its Water Supply Area and Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Senior Emma Kelso
Director of Markets and Enforcement

¹ Thames Water's original Appointment as a water and sewerage undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. Independent Water Network's original Appointment was made by the Water Services Regulation Authority under sections 6 and 11 of the Water Industry Act 1991.

² With effect from 1 April 2006 the functions of the Director General of Water Services were transferred to the Water Services Regulation Authority in accordance with section 36 of, and Schedule 3 to, the Water Act 2003.

**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA
Phone: 0121 644 7500

© Crown copyright 2021

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3.

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

This document is also available from our website at www.ofwat.gov.uk.

Any enquiries regarding this publication should be sent to mailbox@ofwat.gov.uk.

OGL