

May 2022

Variation of Independent Water Network Limited's appointment to include Wentworth Way, Sheffield

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On 1 March 2022, Ofwat began a [consultation](#) on a proposal to vary Independent Water Networks Limited (“**Independent Water Networks**”) appointment to become the sewerage services provider for a development in Severn Trent Water Limited (“**Severn Trent Water**”) sewerage services area called Wentworth Way, Sheffield (“**the Site**”). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 8 April 2022. 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 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 Network's area of appointment to allow it to serve the Site for sewerage services. This appointment became effective on 19 May 2022.

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

The Variation Notice legally making the variation 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**”), Drinking Water Inspectorate (“**DWI**”) and the Environment Agency. We considered these responses before making the decision to vary Independent Water Networks' appointment.

The DWI and the Environment Agency had no comments to make with regard to this consultation and did not have any objections. Details of CCW's response are set out below.

1.1 CCW

CCW 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 Severn Trent 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 it is aware that Independent Water Networks currently offers discounts to customers who are able to and opt to take up e-billing or paying by direct debit.

CCW noted that Independent Water Networks does not currently offer its financially vulnerable customers a social tariff in the way that Severn Trent Water can. However, CCW recognised that Independent Water Networks will offer the standard WaterSure tariff for qualifying customers. CCW considers 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 Severn Trent Water's charges, Independent Water Networks already benefits from the cross-subsidiary Severn Trent Water customers pay to support its social tariffs.

CCW said that it notes that Independent Water Networks generally matches or exceeds Severn Trent Water's service standards, therefore, overall, it supports this application.

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, then if they were served by Severn Trent Water and said it is satisfied that this is correct.

CCW recognised that we calculated that there will be no cost to Severn Trent Water's existing sewerage customers once the Site is completed.

CCW said whilst it recognises that this is negligible, it is unclear if there are any significant benefits for Severn Trent Water customers from this arrangement. CCW states its questions the value of a NAV regime if it cannot deliver benefits to all customers.

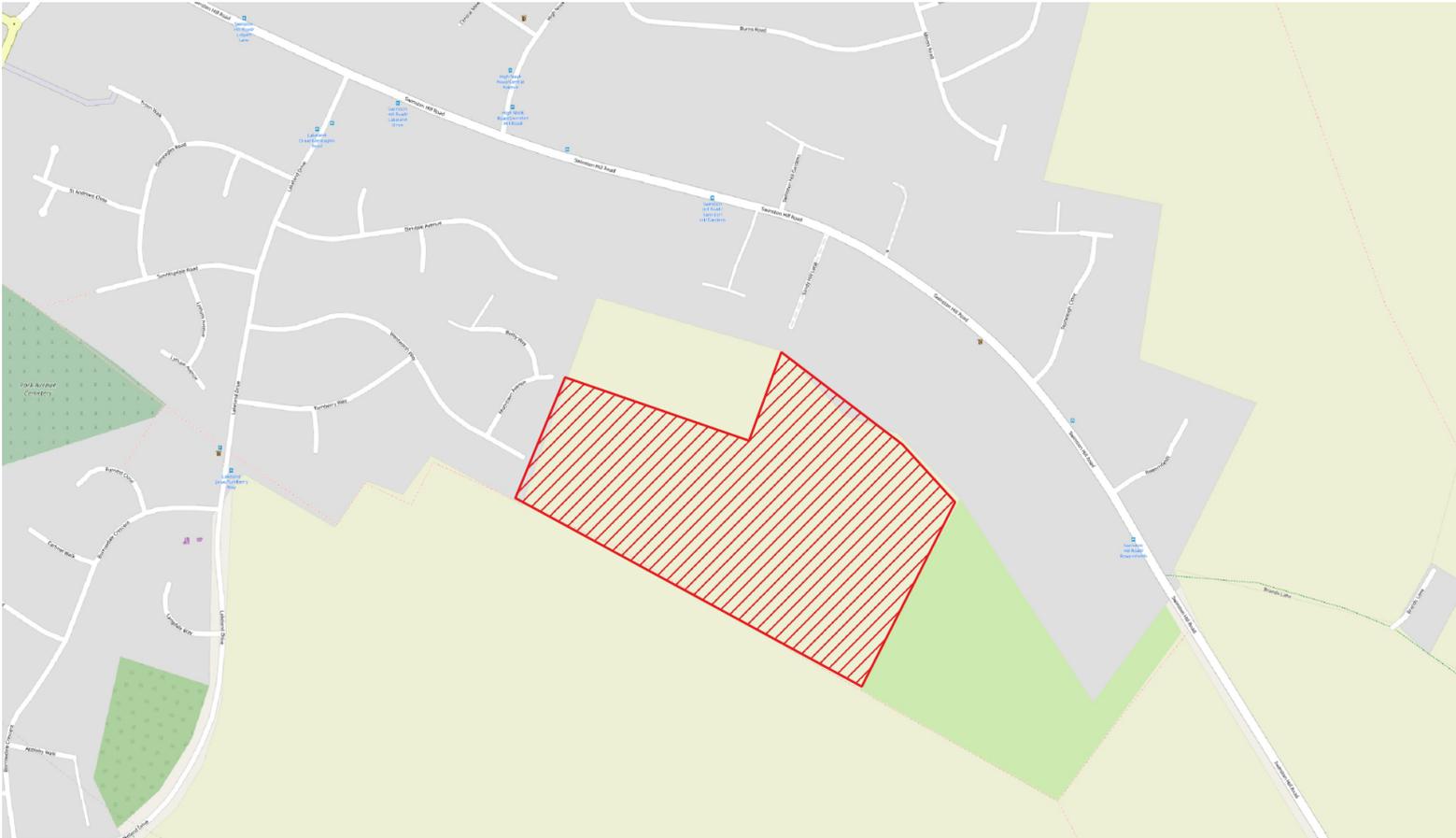
Our response

One of our key policies when considering NAV applications, is that customers should be no worse off if a new appointment and 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.

Independent Water Networks currently offers a discount of 2.5% against incumbents' charges and offers discounts to customers who are able to and opt to take up e-billing or paying by direct debit.

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 Map



PLAN REFERRED TO IN THE VARIATIONS OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND SEVERN TRENT WATER LIMITED, AS SEWERAGE UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON....

ADDRESS: WENTWORTH WAY, DINNINGTON, SHEFFIELD, SOUTH YORKSHIRE, S25 2SY
OS GRID REFERENCE: 453320, 385345

SCALE: 1:4000
DRAWN BY: CP
DATE: 21/12/2021

18 May 2022
Laura Clayton

0 100 200 m



WENTWORTH WAY SEWERAGE
MAP 1

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 Severn Trent Water Limited as the Sewerage Undertaker

Made on 18 May 2022

Coming into effect on 19 May 2022

1. Independent Water Networks Limited ("Independent Water Networks") and Severn Trent Water Limited ("Severn Trent Water") hold an Appointment as the sewerage undertaker for their respective area ("the Appointment").¹ The areas to which the Appointments of Independent Water Networks and Severn Trent Water as the sewerage undertaker relate ("Sewerage Services Area") is set out in their Instruments of Appointment.
2. The site called Wentworth Way, in Sheffield, which is shown edged in red on the plan attached to this variation, ("the Site") is within Severn Trent Water's Sewerage Services Area. The Site is being developed by Taylor Wimpey.
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 sewerage undertaker to include the Site and for a consequential variation of Severn Trent Water's Appointment 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 Networks' application.

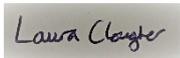
¹ Severn Trent Water's original Appointment as a sewerage undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. Independent Water Networks' original appointment was made by the 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.

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5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Taylor Wimpey, the Water Services Regulation Authority **varies**–
- (a) the Appointment of Independent Water Networks as a sewerage undertaker, so that the Site is included in Independent Water Networks' Sewerage Services Area; and
 - (b) the Appointment of Severn Trent Water as a sewerage undertaker, so that the Site is excluded from Severn Trent Water's Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Laura Clougher

Principal, Casework and Enforcement

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

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