

# Code for Adoption Agreements

## Water sector documents: Change proposal (Ref 009)

<b>Modification proposal</b>	Water Sector Guidance: Mains flushing and local practices
<b>Independent Water Adoption Panel Recommendation</b>	The Panel recommended approving the change proposal, but proposed using an alternative approach
<b>Decision</b>	Ofwat has approved this change proposal using the alternative approach recommended by the Panel
<b>Publication date</b>	25 July 2022
<b>Implementation date</b>	1 October 2022

## Background

Fair Water Connections (**FWC**) submitted this change proposal on 2 February 2022 to the Independent Water Adoption Panel (**the Panel**), with the Panel publishing the proposal on its website on the same day. The function of the Panel is to consider change proposals to the [water sector guidance and model water adoption agreement](#) which apply to companies operating wholly or mainly in England. These documents were developed by companies as required by the [Code for Adoption Agreements \(the Code\)](#) and came into effect in January 2021. A change proposal is defined in the Code as a proposed change to the sector guidance or the model adoption agreements.

The change proposed by FWC concerns the water sector guidance on practices undertaken by water companies when newly constructed mains are commissioned. Currently, the guidance does not allow water companies to apply their own local practices to the process of mains commissioning. Rather, companies have to follow the specified sector guidance. The current guidance on mains flushing is set out in section 17.1 of Appendix D – Design and Construction Specification (**DCS**).<sup>1</sup> This guidance requires the water company to agree a suitable flushing regime in respect of the construction programme of the Self-Laid Main which satisfies water quality requirements. FWC has proposed that mains commissioning

<sup>1</sup> [Water Sector Guidance – approved documents | Water UK](#)

sanctions should be recognised as a local practice, thereby requiring companies to publish and consult with self-lay providers (**SLPs**) regarding any proposed changes prior to implementation. FWC states it is concerned about companies making changes to mains commissioning for reasons relating to water scarcity without adequate advance notice, particularly when a SLP has already agreed costs and work programmes with their developer customers. FWC considers that this change would ensure that SLPs are provided with adequate notice of any new mains flushing restrictions, meaning such measures are implemented in ways which are fair and predictable.

The Panel considered the change proposal at its meetings on 10 February 2022 and 5 April 2022 and sought additional information from FWC to clarify the aims and rationale behind the proposal as well as undertaking consultation with the Water Industry Registration Scheme's Forum. On 29 April 2022, the Panel recommended to Ofwat making a change to the water sector guidance to address the concerns raised in the proposal by FWC. However, it recommended an alternative approach to addressing the change proposal from that proposed by FWC.

## The change proposal

FWC has requested that a change is made to the sector guidance. The proposed change relates to an approach that is starting to be used by some water companies of commissioning new mains in sections as each section reaches the point at which the demand placed on it by the newly connected properties is sufficient for water quality requirements. This approach can reduce the amount of water that is wasted in flushing new mains. However, FWC stated that this can materially increase costs to SLPs if a new approach is introduced after the SLP has agreed costs and programmes of work with its developer customer. We understand this extra cost associated with the water company changing its approach to commissioning the new mains in sections after the adoption agreement had been made is due to this change requiring the SLP and its developer customer to revise their plan for making the new connections. This would be due to the SLP only being able to make connections and provide water to the connected property in the sections of the new main that have been commissioned. In its change proposal, FWC stated that this issue could be addressed either through a change to the water sector guidance<sup>2</sup> sections on local practices, or through a change to appendix D of the water sector guidance – the DCS<sup>3</sup>. However, its preferred option is the following change to the water sector guidance highlighted in red text:

“4.6.1 Local practices are only permitted in the following areas of the Procedures:

- Meter pairing or commissioning procedures during Stage 7 of the Procedures (note 7.10 refers);
- Plot reference numbers i.e., Stages 3 & 7 of the Procedures (notes 3.5 & 7.4 refer);

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<sup>2</sup> [Water Sector Guidance – approved documents | Water UK](#)

<sup>3</sup> [Water Sector Guidance – approved documents | Water UK](#)

- Water Company service offered to provide the design for new mains. I.e., Stage 2 and note 2.4 refer);
- Design self-certification scheme and design approval criteria offered by Water Company i.e., Stage 2 of the Procedures (note 2.4 refers).
- **Mains commissioning sanctions (to safeguard water quality whilst minimising water wastage through flushing)."**

## Consultation and assessment

In submitting its recommendation, the Panel confirmed that it met the Code requirement<sup>4</sup> to assess the change in terms of:

- The need for change, for example, is it a service improvement or is it needed to address a particular issue?
- Consistency with the principles and objectives of the Code, and any relevant statutory requirements; and
- The impact of the change (be it positive and/or negative) on customers and on water companies.

In considering the change proposal, the Panel has:

- discussed the proposal at two meetings;
- sought additional information from FWC to clarify the aims and rationale behind the proposal; and
- Asked the Water Industry Registration Scheme's Forum (consisting of SLP representatives) to review the Proposal. The Forum did not raise any concerns;

Additionally, we have consulted with the Drinking Water Inspectorate (**DWI**) as the change proposal relates to the processes undertaken by water companies in commissioning new water mains for use. The DWI did not have any objections to the proposed change, but emphasised that water companies must ensure that appropriate safeguards are put in place to ensure water quality standards are maintained when commissioning new water mains.

## Panel recommendation

On 29 February 2022, the Panel recommended to Ofwat, by unanimous decision, that we approve making a change to the water sector guidance based on the proposal by FWC. However, the Panel has recommended that the issue is addressed by way of an amendment to the DCS, rather than FWC's preferred approach to amend Section 4.6.1 of the water sector guidance.

In reaching its decision, the Panel stated that it has considered the following issues:

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<sup>4</sup> See paragraph 3.8.11 of the Code.

- The Panel accepted that there is a potential conflict between customers' need to get water to a site and undertakers' requirements for service delivery. The issue was not universal, but is most likely to occur in areas with high levels of SLP activity or water scarcity. However, the issue of undertakers applying their rules inconsistently appears to be becoming more prevalent and this is likely to continue due to water capacity challenges, particularly if there is an increase in development activity in the next few years;
- The Panel noted that local practices are not always sufficiently visible to customers. Therefore, there was a concern that an inclusion of a new local practice on flushing would not attract the attention required to address the problem;
- However, the Panel accepted that there was a need to increase transparency and visibility of undertakers' policies in this area. This could be better addressed by introducing a requirement for undertakers to publish their criteria for mains flushing regimes, so that it is visible and easily accessible; and
- Given the nature of the problem, questions around the flushing regime for a new development are best dealt with during the design approval stage of the process. This allows for any required modelling and risk assessments to be carried out with all necessary information.

Therefore, the Panel concluded that, although it was not persuaded to recommend the specific change set out in the change proposal by FWC, the Code could be improved to address the issues raised by FWC in this area.

The Panel recommends that the following changes are made to the Code documentation with the proposed changes set out in red font:

- Design and Construction Specification (**DCS**) 17.1 Mains Flushing

“In accordance with the Principles of Water Supply Hygiene and associated technical guidance notes (see in particular TGN02 and TGN03) it is a requirement that there is always a sufficient turnover of water on all potential dead-legs of main or sectional lengths and a regular flushing of these mains shall be undertaken to satisfy water quality requirements.

Accordingly, a suitable flushing regime is to be agreed in respect of the construction programme of the Self-Laid Main. The responsibility for work and related costs is set out in the WAA. **The Water Company must publish details of its policies and practices regarding flushing regimes on its website and provide a copy of these policies to the SLP upon request.**”

- DCS 9.8 Design Proposal

“When preparing a water network design proposal the SLP Designer shall:

1. Select appropriate materials for the Self-Laid Main and Service Pipes.
2. Determine the legal land ownership boundary of the Site.
3. Produce a drawing to an appropriate scale to show the layout and route of the Self-Laid Mains and Service Pipes and proposed meter arrangements (relative to Service Pipe entry points) in accordance with this Design and Construction Specification.
4. Provide all related material requirements and details as required by this Design and Construction Specification.
5. Calculate demands and size all Service Pipes in line with this Design and Construction Specification (see also paragraph 10.2).
6. Size the Self-Laid Mains across the Site as may be required to meet the requirements of the Site and any Development relative to the Site, following discussion with the Water Company. Any Water Company requirements will be communicated after such discussion has taken place. See further section 10.2.
7. Identify the agreed Point of Connection and determine by agreement with the Water Company all work that is Contestable and Non-contestable.
8. Design the appropriate number of Self-Laid Main fittings required to control the Network and the Self-Lay Works.
9. Identify any sections of Self-Laid Mains that require easements or wayleaves.
10. Identify any Special Engineering Difficulties as appropriate.
11. Agree a suitable mains flushing regime with the Water Company, based on appropriate modelling and risk assessment and taking into account the Water Company's published policies and practices regarding flushing regimes.

Water companies shall share with the SLP any pipe size methodology and **any further information regarding flushing regimes** where this is requested by the SLP.”

The Panel considers that this recommended change improves services for customers and supports consistency across the Code documentation, while not unduly restricting innovation by undertakers in their own processes.

The Panel also suggests that undertakers should also consider whether they are able to begin publishing details of their flushing regimes and making changes to the design approval stage, in advance of a formal change to the Code documentation. If possible, and subject to the agreement of customers, undertakers should do so as soon as practicable to promote transparency and improve services for customers.

## **Our decision and reasons**

We agree with the change proposal using the approach recommended by the Panel.

In its change proposal, FWC did not raise concerns about the actual practices undertaken by water companies when commissioning and flushing new mains. The concern relates to the impact that changes to these practices can have on SLPs when they occur after an adoption agreement has been made.

FWC's preferred option is to remedy this by making the mains flushing practices a local practice, which would then require water companies to undertake a consultation process if they decide to change their approach. This would give SLPs notice of such a change occurring and allow stakeholders such as SLPs the opportunity to provide their views on such a proposed change. However, the Panel has recommended that the issue is remedied by requiring water companies to publish their mains flushing practices and by requiring the mains flushing practice that will be used for each development to be agreed between the SLP and the water company as part of the design proposal.

We consider that the changes recommended by the Panel are a better approach to address the issues raised by FWC. The recommended approach would help to increase the visibility of the mains flushing practices used by the water companies. It will also protect SLPs from changes to these practices made by water companies that take place after the design of the scheme has been agreed by placing a clear requirement for the flushing practice that will be used to be agreed as part of the design proposal. We consider that this approach aligns best with the Code principles of Predictability and Transparency.

## **Decision notice**

In accordance with paragraph 3.9.4 of the Code Ofwat approves this Change Proposal using the alternative approach to making this change recommended by the Panel.

**Emily Bulman**  
**Director, Markets and Charging**