

August 2022

Variation of Leep Networks (Water) Limited's appointment to include Church Street, Braintree, Essex

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On 15 June 2022, Ofwat began a [consultation](#) on a proposal to vary Leep Networks (Water) Limited's ("**Leep Water**") appointment to become the water and sewerage services provider for a development in Anglian Water Services Limited's ("**Anglian Water**") water supply area and sewerage services area called Church Street, Braintree, Essex ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 12 July 2022. During the consultation period, we received representations from two 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 Leep Water's application and having taken account of the responses we received to our consultation, we decided to grant a variation to Leep Water's area of appointment to allow it to serve the Site for water and sewerage services. This appointment became effective on 4 August 2022.

The Site maps 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 two organisations: the Consumer Council for Water (“**CCW**”) and the Environment Agency. We considered these responses before making the decision to vary Leep Water's appointment.

The Environment Agency confirmed that it did not have any objections with regard to this consultation. The Environment Agency wanted Leep Water to note its responsibility to discuss and confirm that the company treating the wastewater should have capacity to accept and treat the bulk wastewater without risking a permit breach or risk to the environment. Leep Water confirmed it will take the required action in an email to Ofwat dated 28 July 2022.

2. General comments from the Consumer Council for Water (“**CCW**”)

As part of assessing this application Ofwat has engaged with CCW. CCW's position is that new appointments and variations (“**NAVs**”) should bring benefits to customers on the proposed NAV site. CCW expects NAV appointees to provide consumers with prices, levels of service or service guarantees that match or, ideally, better those of incumbent water and/or sewerage companies. CCW has stated that it is satisfied that Leep Water, as an established NAV appointee, offers customers on its sites prices and levels of service which match or better those offered by the incumbent water and/or sewerage companies which would otherwise serve the site. Therefore, CCW agrees with Ofwat's assessment that customers on the Site will be no worse off if served by Leep Water and so, overall, supports the proposed variation of appointment.

CCW also considers the impact on the relevant incumbent's existing customers when considering a NAV application. It notes that in some cases there is a potential cost on the annual water and/or sewerage bills of these customers. While this cost is negligible on an individual site basis, CCW is unclear of the wider benefits of the NAV regime for incumbents' customers, particularly as the number of sites in each incumbent area increases and the cumulative cost rises.

Our response

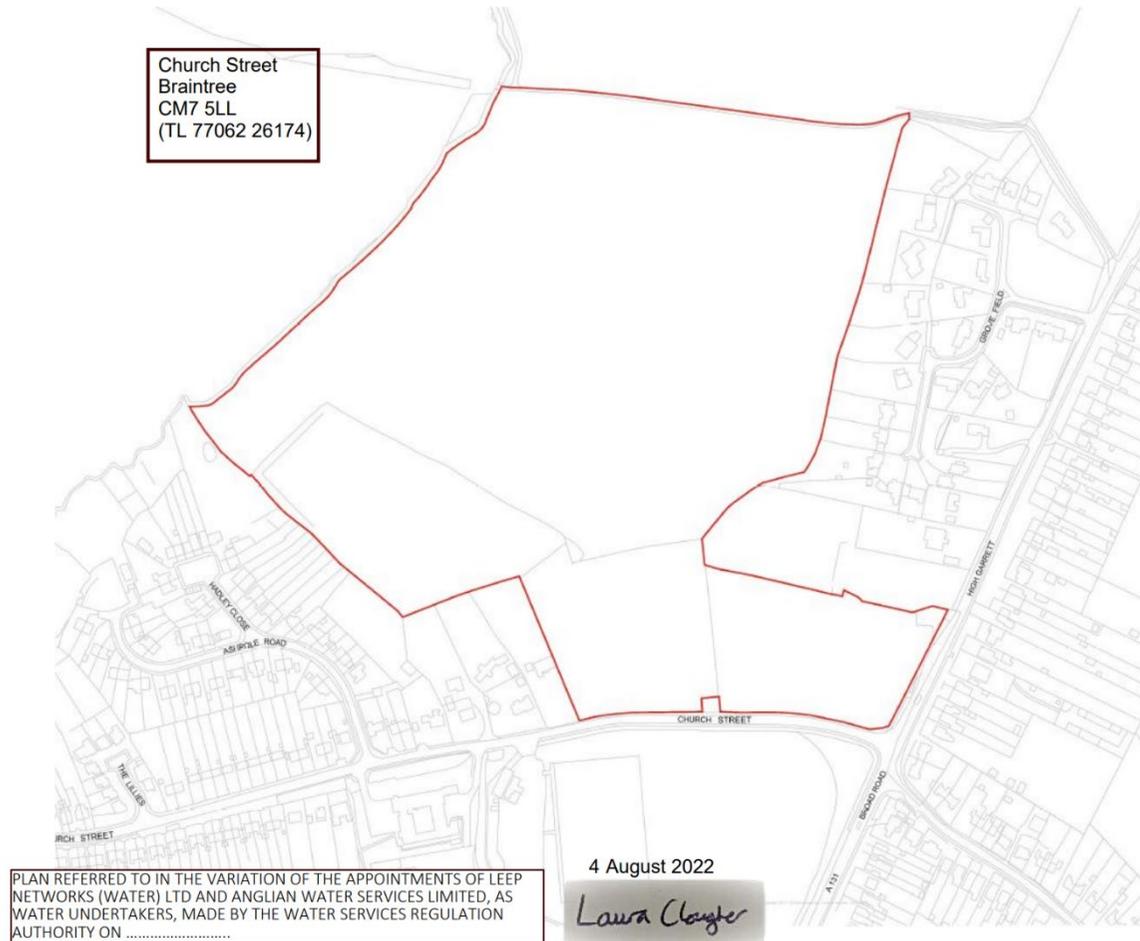
One of our key policies in relation to new appointments and variations, is that customers should be no worse off if a new appointment and variation is granted. That is, an applicant must ensure its new customers are made no worse off in terms of charges and service than if

they had been supplied by the previous appointee. We do not require applicants to better the service and price of the previous incumbent.

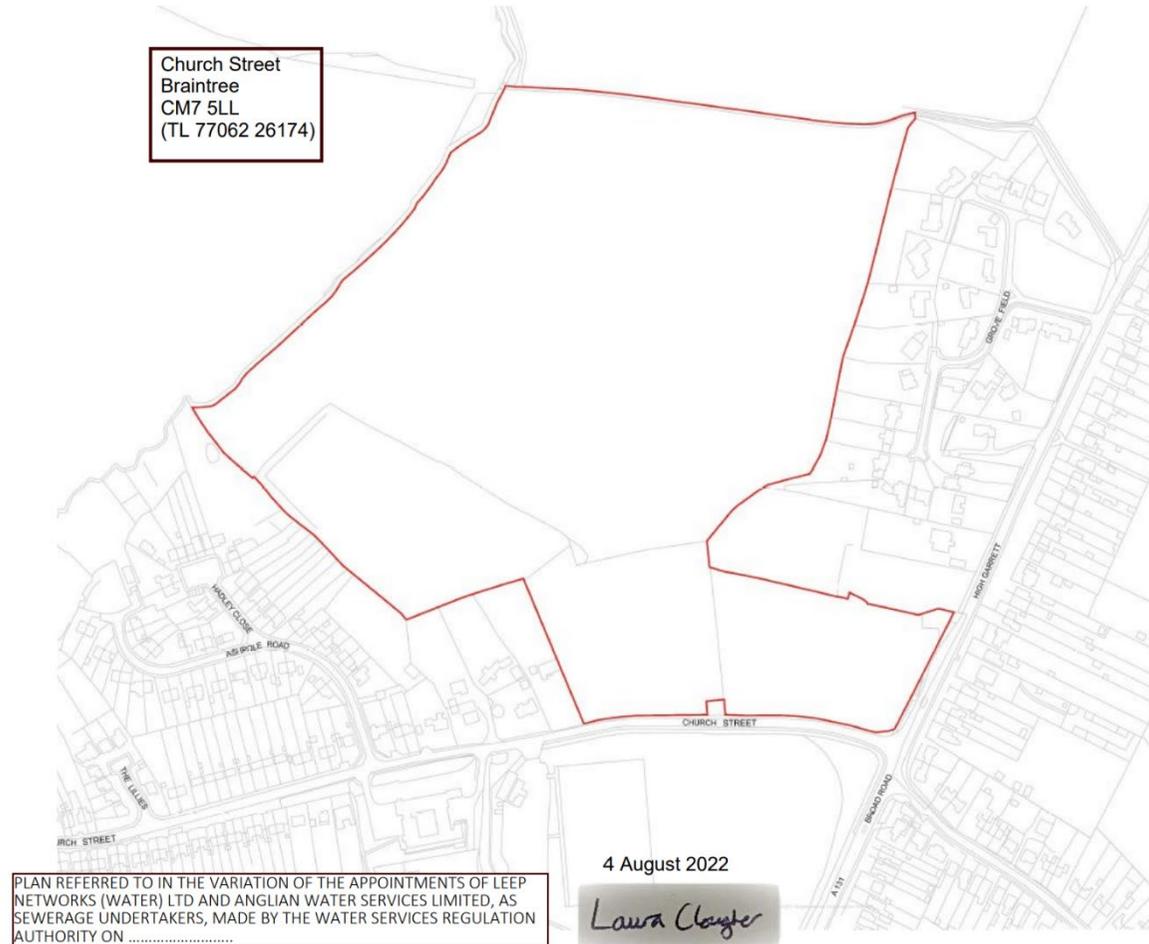
Vulnerable customers may not be aware of the social tariff that would be available to them if they were served by the incumbent rather than by the applicant. It is the responsibility of the applicant to identify and protect vulnerable customers on the Site. Although Leep Water does not offer a social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

3. Site Maps

Water



Sewerage



4. Variation Notice

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

Variation of the Appointments of Leep Networks (Water) Limited and Anglian Water Services Limited as Water and Sewerage Undertakers

Made on 4 August 2022

Coming into effect on 5 August 2022

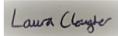
1. Leep Networks (Water) Limited ("Leep Water") and Anglian Water Services Limited ("Anglian Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Leep Water and Anglian Water as water and sewerage undertakers relate ("Water Supply Area" and "Sewerage Services Area") are set out in their Instruments of Appointment.
2. The site called Church Street, Braintree, Essex, which is shown edged in red on the plan attached to this variation ("the Site") is within Anglian Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Redrow Homes Limited.
3. Leep Water 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 Anglian 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 Leep Water's application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Redrow Homes Limited, the Water Services Regulation Authority **varies**–

¹ Anglian 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. Leep Water'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.

- (a) the Appointment of Leep Water as a water and sewerage undertaker so that the Site is included in Leep Water's Water Supply Area and Sewerage Services Area; and
- (b) the Appointment of Anglian Water as a water and sewerage undertaker so that the Site is excluded from Anglian Water's Water Supply Area and 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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