

August 2022

# **Variation of Independent Water Network Limited's appointment to include Higher Trenant Road, Egloshayle**

## Variation of Independent Water Networks Limited's appointment to include Higher Trenant Road, Egloshayle

On 26 April 2022, Ofwat began a [consultation](#) on a proposal to vary Independent Water Networks Limited's ("**Independent Water Networks**") appointment to become the water and sewerage services provider for a development in South West Water Limited's ("**South West Water**") water supply area and sewerage services area called Higher Trenant Road, Egloshayle in Wadebridge, Cornwall ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 25 May 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 water and 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 17 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 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 had no comments to make with regard to this consultation and did not have any objections. Details of the response from the Environment Agency and from CCW can be found below.

### The Environment Agency

The Environment Agency did not object to the application but requested that we pass on the following comments to Independent Water Networks and South West Water:

The proposed development is close to the River Camel Special Area of Conservation (SAC), is upstream of the Camel Estuary Shellfish Water and is close to the Camel, Allen and Amble Water Framework Directive waterbodies. The sewage and surface water drainage from the development should not have any adverse impact on these waterbodies and there should be no deterioration in water quality.

Any new development needs to conform to the water efficiency statutory standards in the building regulations and/or the good practice standards in the Code for Sustainable Homes.

The foul flow from the new development must be connected to the South West Water sewer network for full treatment at a wastewater treatment works. South West Water must ensure that the receiving sewer network and wastewater treatment works has adequate capacity within its permitted Dry Weather Flow to take the foul flows from the new development.

The receiving public sewer should have a design capacity to convey dry and wet weather flows according to the Best Technical Knowledge not Entailing Excessive Cost. The new development should have separate foul and surface water drainage to alleviate pressure on the foul or combined system with source control via Sustainable Drainage Systems principles.

South West Water must ensure that any existing storm overflows on the receiving sewer network and/or at the wastewater treatment works do not deteriorate in terms of spill frequency and/or load.

Independent Water Networks should report any incidents that could impact on the environment to the Environment Agency as soon as practicable via the Incident Hotline.

This information was passed to the Independent Water Networks and the comments were noted by Independent Water Networks.

## 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 South West 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 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.

CCW noted that Independent Water Networks does not currently offer its financially vulnerable customers a social tariff in the way that South West 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 recognised that by matching South West Water's charges, Independent Water Networks already benefits from the cross-subsidy South West Water customers pay to support its social tariffs.

CCW noted that Independent Water Networks generally matches or exceeds South West 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, than if they were served by South West Water and said it is satisfied that this is correct.

CCW recognised that we calculated that there will no annual increase on the water and sewerage bills of existing South West Water customers once the Site is completed and said whilst it appreciates this, it is unclear as to whether there will be any significant benefits arising from this arrangement for the South West Water customers. CCW questioned the value of the NAV regime if it cannot deliver benefits to all customers.

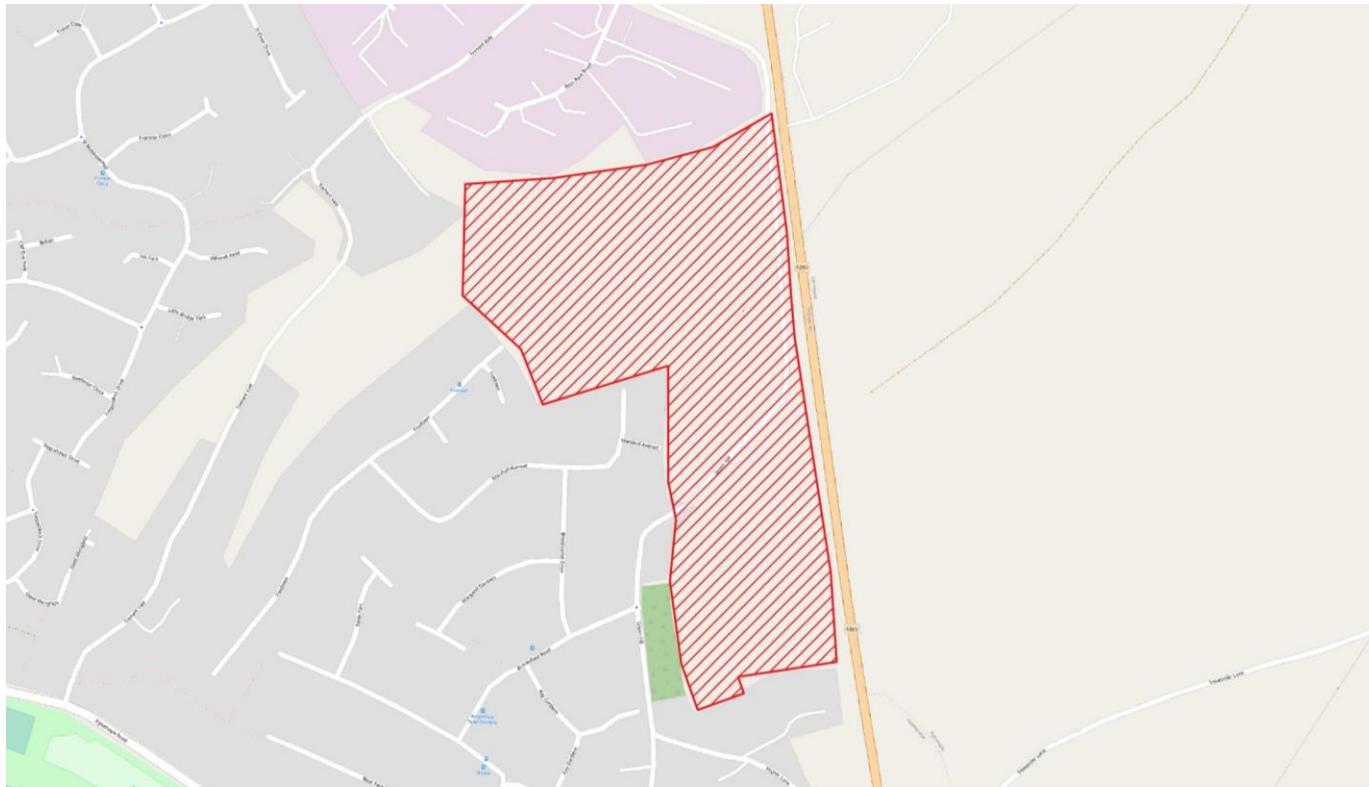
### Our response

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.

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 VARIATION OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND SOUTH WEST WATER LIMITED, AS WATER UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ...

ADDRESS: HIGHER TRENANT ROAD, GREEN HILL, EGLOSHAYLE, WADEBRIDGE, CORNWALL, PL27 6HL  
OS GRID REFERENCE: 200079, 72437

SCALE: 1:4000  
DRAWN BY: CS  
DATE: 06/12/2021  
*MR Hill* 17 August 2022

0 100 200 m

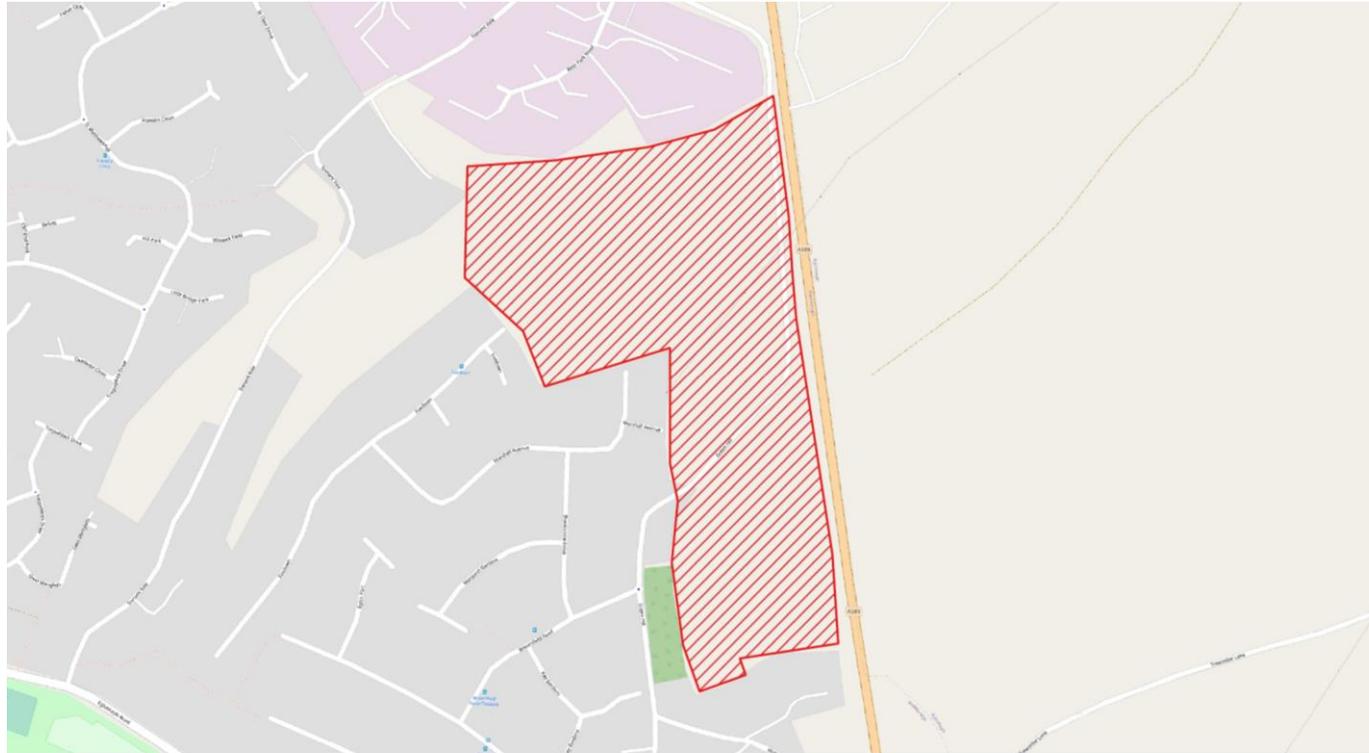


**HIGHER TRENANT ROAD  
WATER SUPPLY  
INSET MAP 1**



**PROJECT: N0022787**

## Sewerage Boundary



PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND SOUTH WEST WATER LIMITED, AS SEWERAGE UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ...

*[Signature]*  
17 August 2022

ADDRESS : HIGHER TRENANT ROAD, GREEN HILL, EGLOSHAYLE, WADEBRIDGE, CORNWALL, PL27 6HL  
OS GRID REFERENCE: 200079, 72437

SCALE: 1:4000  
DRAWN BY: CS  
DATE: 06/12/2021

0 100 200 m



**HIGHER TRENANT ROAD  
SEWERAGE UNDERTAKERS  
INSET MAP 1**



**PROJECT: N0022787**

### 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 South West Water Limited as water and sewerage Undertakers

Made on 16 August 2022

Coming into effect on 17 August 2022

1. Independent Water Networks Limited ("Independent Water Networks") and South West Water Limited ("South West Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").<sup>1</sup> The areas to which the Appointments of Independent Water Networks and South West Water as the water and sewerage undertakers relate ("Water Supply Area" and "Sewerage Services Area") are set out in their Instruments of Appointment.
2. The site called Higher Trenant Road, Egloshayle, which is shown edged in red on the plan attached to this variation ("the Site") is within South West Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Vistry Partnerships Limited.
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 South West 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 Services<sup>2</sup> 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.

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<sup>1</sup> South West 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 Networks' original appointment was made by the Water Services Regulation Authority under sections 6 and 11 of the Water Industry Act 1991.

<sup>2</sup> 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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Egloshayle

5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Vistry Partnerships Limited, 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;
  - (b) the Appointment of South West Water as a water and sewerage undertaker so that the Site is excluded from South West Water's Water Supply Area and Sewerage Services Area.

**Signed for and on behalf of the Water Services Regulation Authority**



**Martin Hill**  
**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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