

August 2022

Variation of Independent Water Networks Limited's appointment to include Long Road, Mistley

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On 6 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 Affinity Water Limited's ("**Affinity Water**") water supply area and Anglian Water Services Limited's ("**Anglian Water**") sewerage services area called Long Road, Mistley ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 4 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/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 5 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 Environment Agency. We considered these responses before making the decision to vary Independent Water Networks' appointment.

The DWI and Environment Agency had no comments to make regarding the consultation. CCW's response can be seen below.

CCW

CCW stated that in general it expects applicants for a new appointment and/or variation (“**NAV**”) to provide customers with prices, levels of service and service guarantees that match, or ideally, better those of the incumbent company, particularly for developments that include domestic housing, as household customers do not currently have the facility to choose or switch supplier, unlike business customers.

CCW is disappointed that there is no formal financial benefit to customers from having Independent Water Networks as their provider of water and sewerage services, as Independent Water Networks intends to match Affinity Water's and Anglian Water's charges. However, CCW did note that currently Independent Water Networks' offers a discount of 2.5% against Affinity Water's and Anglian Water's existing charges and offers discounts to those customers who are able to and opt to take up e-billing or pay by direct debit.

CCW noted that, due to the relatively small size of its customer base, Independent Water Networks does not offer its financially vulnerable customers a social tariff in the way that Affinity Water and Anglian Water does. It noted that Independent Water Networks will, however, offer the standard WaterSure tariff for qualifying customers. CCW stated that until it can provide a formal social tariff, it is appropriate for Independent Water Networks to tailor some of its services. CCW expects Independent Water Networks to offer appropriate and flexible support to customers in financial difficulty who would otherwise benefit from a social tariff. CCW considered that such support should not be at the expense of its other customers. CCW noted that by matching Affinity Water's and Anglian Water's charges Independent Water Networks already benefits from the cross-subsidy Affinity Water's and Anglian Water's customers pay to support its social tariff.

CCW agreed with our overall assessment that customers will be no worse off in terms of the levels of service that they will receive from Independent Water Networks, than if they were to be served by Affinity Water and Anglian Water. CCW notes that Independent Water Networks generally matches or exceeds the service standards of Affinity Water and Anglian Water and so, overall, it supports this application.

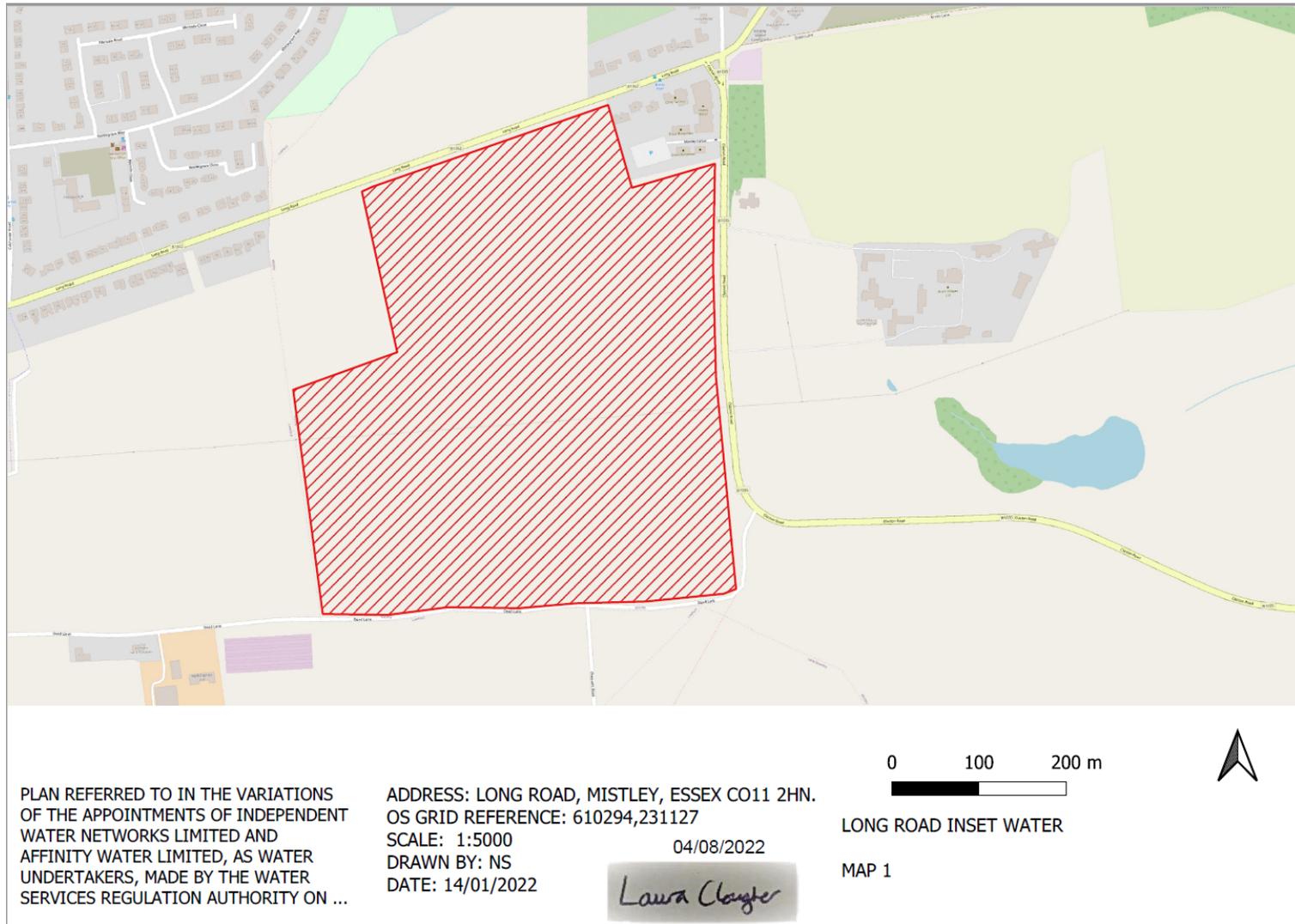
CCW noted our estimate that there will be no impact on the annual water bills of Affinity Water customers and an increase of £0.01 on the annual sewerage bills of Anglian Water's customers. CCW appreciates that this is a negligible cost states that it is unclear whether there will be any significant benefits from the arrangement for Affinity Water's or Anglian Water's customers. CCW questions the value of the NAV regime if it cannot deliver benefits to all customers.

Our response

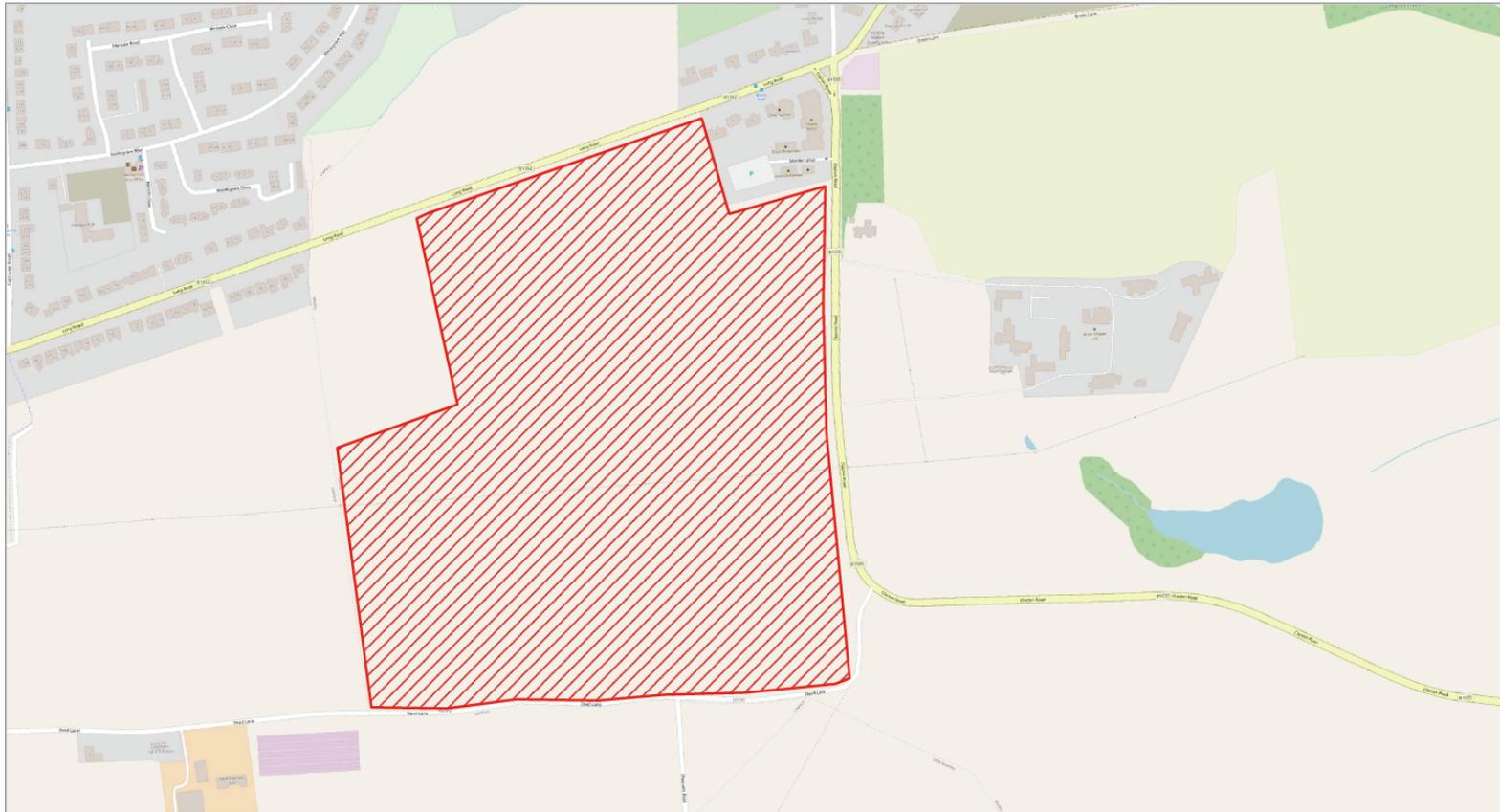
One of our key policies in relation to new appointments and variations, is that customers should be no worse off if a new appointment and variation is granted. That is, an applicant must ensure its new customers are made no worse off in terms of charges and service than if they had been supplied by the 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 the applicant does not offer a social tariff, it should ensure customers will be no worse off.

2. Site Map



Variation of Independent Water Networks Limited's appointment to include Long Road, Mistley



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

ADDRESS: LONG ROAD, MISTLEY, ESSEX CO11 2HN.
OS GRID REFERENCE: 610294,231127
SCALE: 1:5000
DRAWN BY: NS
DATE: 14/01/2022

Laura Clougher

0 100 200 m

LONG ROAD INSET 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, Affinity Water Limited and Anglian Water Services Limited as Water and Sewerage Undertakers

Made on 4 August 2022

Coming into effect on 5 August 2022

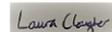
1. Independent Water Networks Limited ("Independent Water Networks"), Affinity Water Limited ("Affinity Water") and Anglian Water Services Limited ("Anglian Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Independent Water Networks, Affinity 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 Long Road, Mistley which is shown edged in red on the plan attached to this variation ("the Site") is within Affinity Water's Water Supply Area and Anglian Water's Sewerage Services Area. The Site is being developed by Tendring Farms 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 Affinity Water's and Anglian 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 Networks' application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Tendring Farms Limited, the Water Services Regulation Authority varies—

¹ Affinity Water's and Anglian Water's original Appointments as water and sewerage undertakers were 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.

- (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 Affinity Water as a water undertaker so that the Site is excluded from Affinity Water's Water Supply Area; and
- (c) the Appointment of Anglian Water as a sewerage undertaker so that the Site is excluded from Anglian Water's Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Laura Clougher
Principal, Casework and Enforcement

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**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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