

Variation of Independent Water Network Limited's appointment to include Kirkby Lonsdale Road, Halton, Lancashire

On 27 May 2022, Ofwat began a [consultation](#) on a proposal to vary Independent Water Networks Limited (“**Independent Water Networks**”) appointment to become the water and sewerage services provider for a development in United Utilities Water Limited’s (“**United Utilities**”) water supply area and sewerage services area called Kirkby Lonsdale Road, Halton, Lancashire (“**the Site**”). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 29 June 2022. During the consultation period, we received responses 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 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 Network's 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 water and sewerage services. This appointment became effective on 8 December 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 Independent Water Networks' appointment. The Environment Agency agreed with our proposal and did not raise any issues that have made us reconsider our recommendation. Details of the response from CCW can be found below.

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 United Utilities 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 United Utilities can. However, CCW recognised that Independent Water Networks will offer the standard WaterSure tariff for qualifying customers. CCW considered 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 United Utilities charges, Independent Water Networks already benefits from the cross-subsidy United Utilities customers pay to support its social tariffs.

CCW noted that Independent Water Networks generally matches or exceed United Utilities 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 United Utilities 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 United Utilities 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 United Utilities customers. CCW questioned the value of the NAV regime if it cannot deliver benefits to all customers.

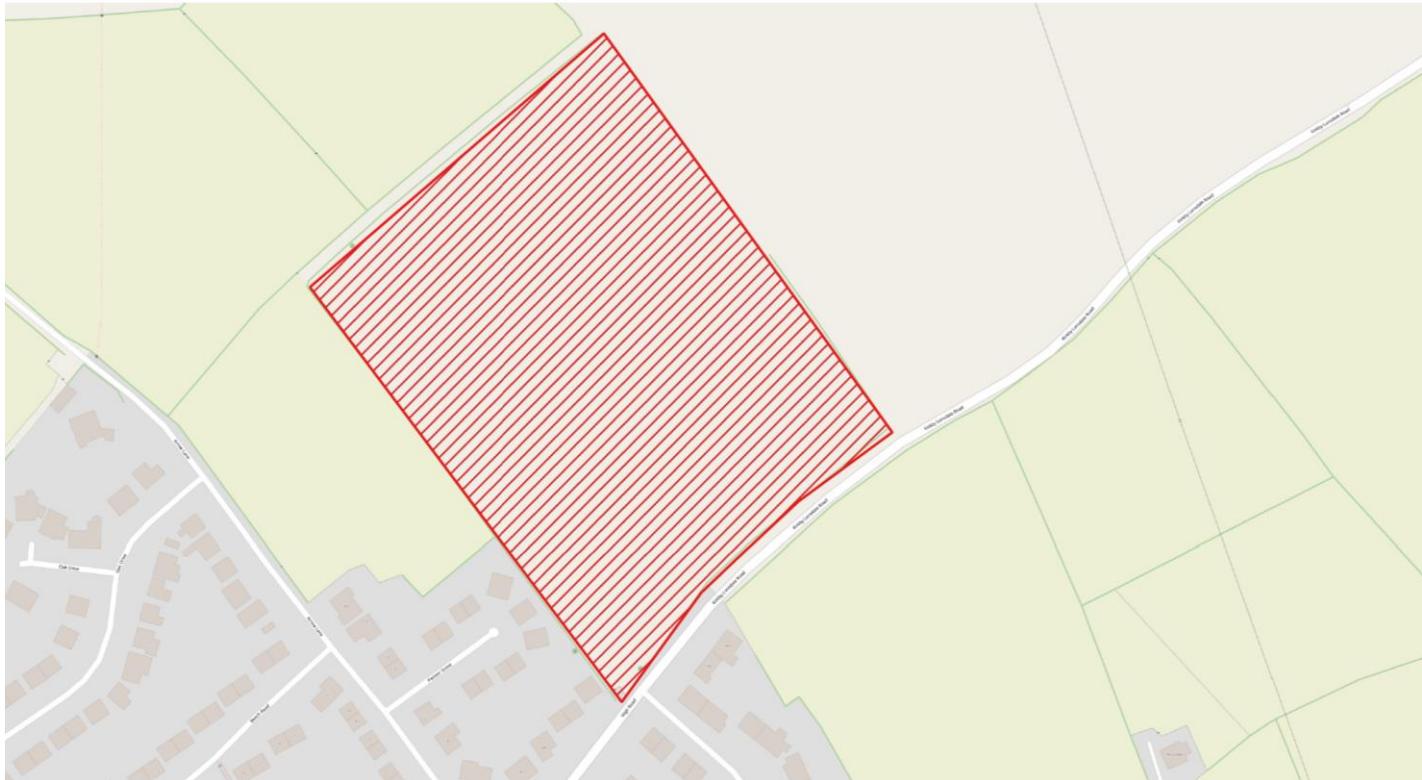
Our response

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



LAN REFERRED TO IN THE VARIATION OF
HE APPOINTMENTS OF INDEPENDENT
WATER NETWORKS LIMITED AND UNITED
TILITIES WATER LIMITED, AS WATER
INDERTAKERS, MADE BY THE WATER
SERVICES REGULATION AUTHORITY ON ...

Date: 8 December 2022 *Laura Clayton*

ADDRESS: KIRKBY LONSDALE ROAD, HALTON,
LANCASTER, LA2 2QR
OS GRID REFERENCE: 350818, 465522

SCALE: 1:4000
DRAWN BY: MM
DATE: 22/03/2022

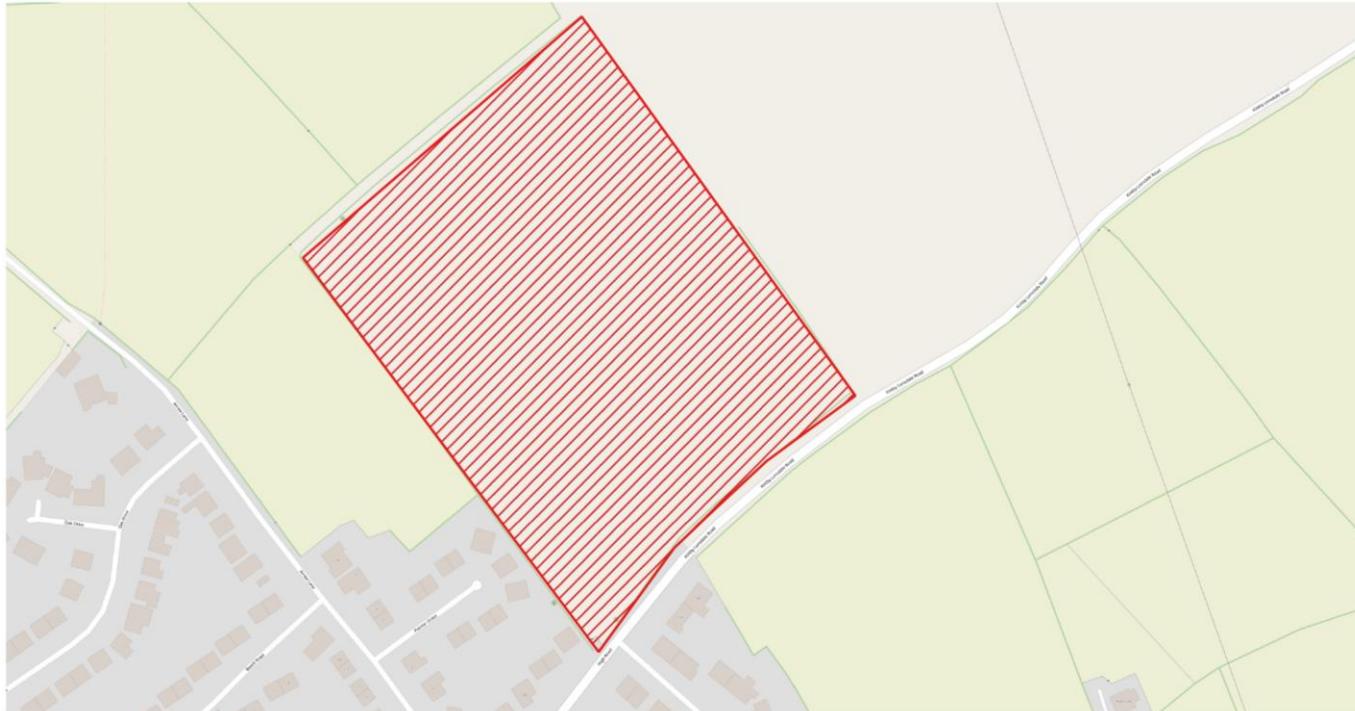
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**KIRKBY LONSDALE ROAD
WATER SUPPLY
INSET MAP 1**

PROJECT: ...



Sewerage boundary



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

Date: 8 September 2022 *Laura Clever*

ADDRESS: KIRKBY LONSDALE ROAD, HALTON, LANCASTER, LA2 2QR
OS GRID REFERENCE: 350818, 465522

SCALE: 1:4000
DRAWN BY: MM
DATE: 22/03/2022

0 50 100 m



**KIRKBY LONSDALE ROAD
SEWERAGE UNDERTAKERS
INSET MAP 1**



PROJECT: ...

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 United Utilities Water Limited as Water and Sewerage Undertakers

Made on 7 December 2022

Coming into effect on 8 December 2022

1. Independent Water Networks Limited ("Independent Water Networks") and United Utilities Water Limited ("United Utilities") hold Appointments as the water and sewerage undertakers for their respective areas ("the Appointment")¹. The areas to which the Appointments of Independent Water Networks and United Utilities 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 Kirkby Lonsdale Road, Halton, Lancashire which is shown edged in red on the plan attached to this variation ("the Site") is within United Utilities' Water Supply Area and Sewerage Services Area. The Site is being developed by Russell Armer 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 United Utilities' 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.

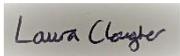
¹ United Utilities' original Appointment as a water and sewerage undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. Independent Water Networks' original appointment was made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

Variation of Independent Water Networks appointment to include the Site, Kirkby Lonsdale Road,
Halton. Lancashire

5. Therefore, as provided by sections 7(2) and 7(4) b of the Act, and with the agreement of Russell Armer 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; and
 - b) the Appointment of United Utilities as a water and sewerage undertaker so that the Site is excluded from United Utilities' Water Supply Area and Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Laura Clougher

Principal, Casework and Enforcement