

## Variation of Independent Water Networks Limited's appointment to include Hayfield Road, Stockport

On 25 October 2021, 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 United Utilities Water Limited's (“**United Utilities**”) water supply area and sewerage services area called Hayfield Road, Stockport in Greater Manchester (“**the Site**”). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 22 November 2021. During the consultation period, we received representations from three organisations, which are summarised in Section 1 of this document. There was a further delay following the consultation, whilst we awaited Independent Water Networks to finalise and provide a copy of the bulk discharge agreement required to serve the Site, which we received in February 2023.

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 15 March 2023.

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 three responses to our consultation; from the Drinking Water Inspectorate (“**DWI**”), the Environment Agency, and the Consumer Council for Water (“**CCW**”). We considered these responses before making the decision to vary Independent Water Networks' appointment. The points raised in the response are set out below.

The Environment Agency and DWI had no comments to make with regard to this consultation and did not have any objections.

### 3.1 CCW

CCW states 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. This is particularly true for developments that include domestic housing, as household customers cannot choose or switch supplier.

CCW is disappointed that there will be no direct financial benefit to customers from having Independent Water Networks as their provider of water and sewerage services, as Independent Water Networks intends to match United Utilities' charges. However, CCW notes that Independent Water Networks offers discounts to those customers who are able to and opt to take up e-billing or pay by direct debit.

CCW considers that Independent Water Networks' service levels generally match or exceed United Utilities', so overall CCW supports the application. For example, Independent Water Networks offers greater compensation for low water pressure or failing to read a meter once a year and offers a free leak repair service on customers' external supply pipes.

CCW states that due to the relatively small size of its customer base Independent Water Networks does not currently offer a social tariff to financially vulnerable customers in the way United Utilities does, but notes that it will offer the standard WaterSure tariff for qualifying customers. CCW considers this a dis-benefit of the proposed variation. CCW states that it is appropriate for Independent Water Networks to tailor some of the services that it provides. CCW sets out its expectation that Independent Water Networks would offer appropriate, flexible support to any customer in financial difficulty who would otherwise have benefitted from a social tariff and that this should not be at the expense of its other customers. CCW considers that by matching United Utilities' charges Independent Water Networks already benefits from the cross-subsidy United Utilities' customers pay to support its social tariff.

CCW notes our conclusion that, as a result of the variation, there will be no cost to United Utilities' existing water customers but there would be an annual cost of £0.001 to United

Utilities existing sewerage customers. CCW appreciates that this is a negligible increase but states that it is unclear whether there will be any significant benefits to the existing customers of United Utilities. It questions the value of the NAV regime if it cannot deliver benefits to all customers.

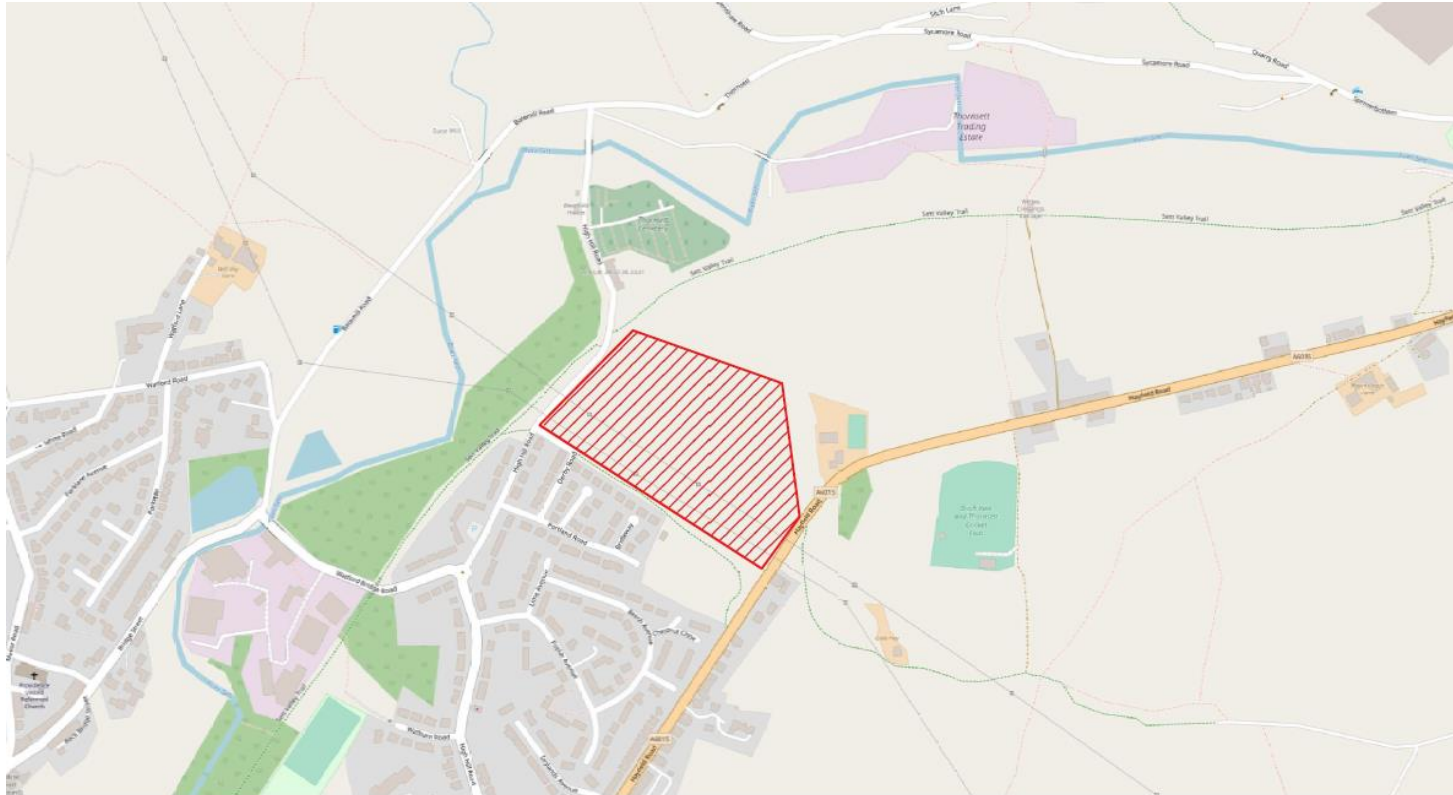
## **Our Response**

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 map



PLAN REFERRED TO IN THE VARIATIONS  
OF THE APPOINTMENTS OF INDEPENDENT  
WATER NETWORKS LIMITED AND UNITED  
UTILITIES WATER LIMITED, AS WATER  
UNDERTAKER, MADE BY THE WATER  
SERVICES REGULATION AUTHORITY ON....  
14 March 2023

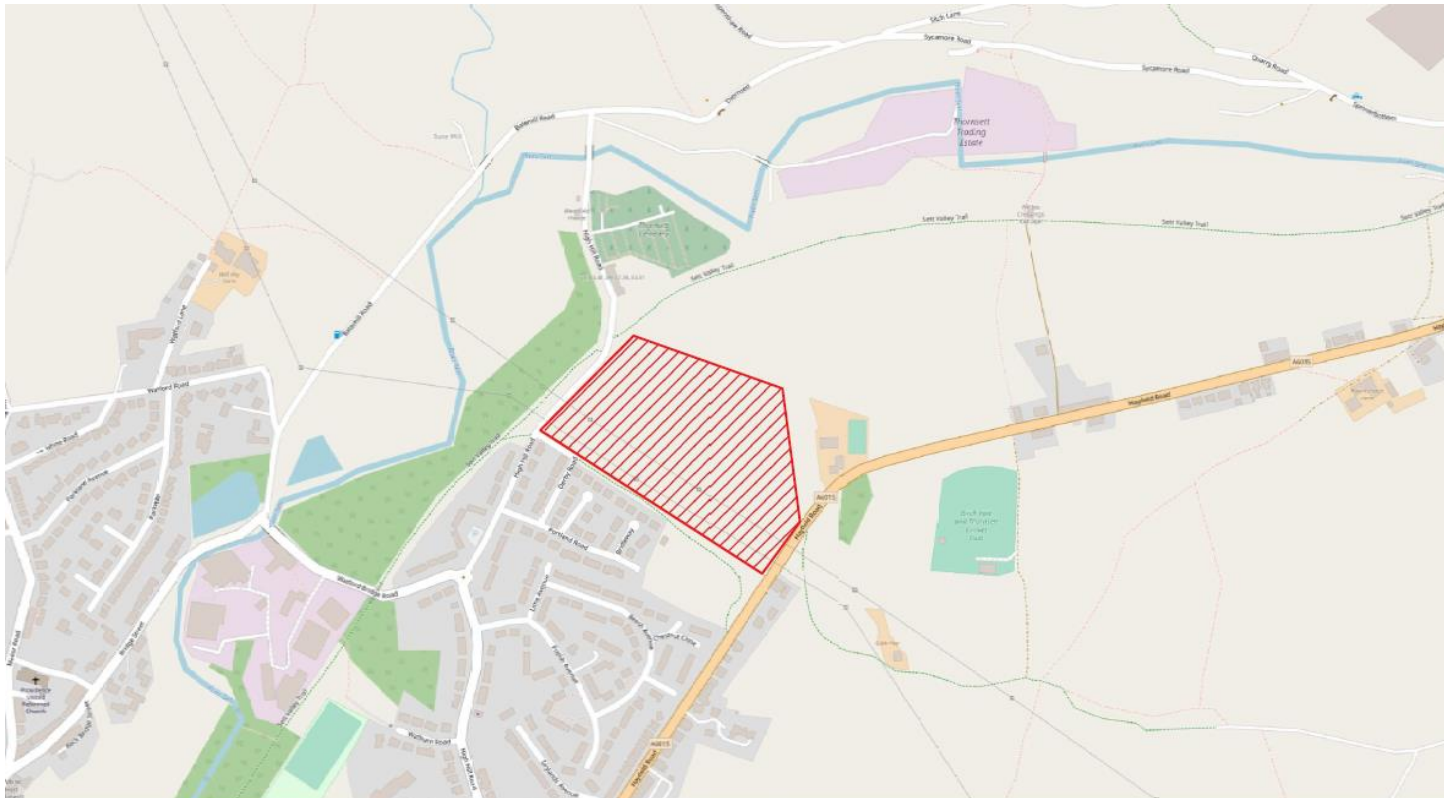
ADDRESS: HAYFIELD ROAD, NEW MILLS,  
STOCKPORT, SK22 4HY

OS GRID REFERENCE: E 401157 N 386363

SCALE: 1:6000  
DRAWN BY: CP  
DATE: 19/08/2021

0 100 200 m  
INSET WATER MAP 2- HAYFIELD ROAD

### Sewerage map

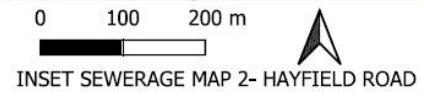


PLAN REFERRED TO IN THE VARIATIONS OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND UNITED UTILITIES WATER LIMITED, AS SEWERAGE UNDERTAKER, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON.... 14 March 2023

ADDRESS: HAYFIELD ROAD, NEW MILLS, STOCKPORT, SK22 4HY

OS GRID REFERENCE: E 401157 N 386363

SCALE: 1:6000  
DRAWN BY: CP  
DATE: 19/08/2021



### 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 14 March 2023

Coming into effect on 15 March 2023

1. Independent Water Networks Limited ("Independent Water Networks") and United Utilities Water Limited ("United Utilities") 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 United Utilities 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 Hayfield Road, Stockport, 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 Wainhomes (North West) 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' 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.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Wainhomes (North West) 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

<sup>1</sup> 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 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.

(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**

A handwritten signature in black ink, appearing to read 'Sally Irgin', is positioned above the printed name and title.

**Sally Irgin  
Director of Enforcement**