

## **Portsmouth Water's response to Ofwat's consultation on Environmental Incentives to Support Sustainable Homes**

### **Q1. Do you agree with our proposed aim for environmental incentives?**

Portsmouth Water supports the aim of environmental incentives to support sustainable homes and the overall approach outlined in the consultation.

### **Q2. Do you have any comments on the characteristics of good environmental incentives?**

We agree with the characteristics outlined in the consultation document. We would emphasise that to be successful, environmental incentives need to complement and support wider work and policies on building control and with building federations.

### **Q3. Do you have any comments on the extent to which any environmental incentives could or should be adapted for implementation in Wales?**

No comments.

### **Q4. Do you have any comments on the case studies outlined?**

The level of non-compliance in the case studies is worrying. As non-compliance would undermine the Implementation of an incentive scheme, we would be interested to understand any work being undertaken between Defra and the Local Planning Authorities to address the issues/causes around non-compliance.

Whilst we agree that further engagement between water companies and developers is essential for an environmental incentive scheme, there is also a big part for local authorities, building federations and developers to play to ensure the success of any scheme.

### **Q5. Do you have any comments on our proposed standardised incentive tiers?**

**Portsmouth Water supports a standardised tiered approach.**

Having an industry standard incentive scheme will make it more attractive to developers as they will not need to meet certain specific requirements for each water company and for reasons of consistency. The incentive tiers are a good idea and would encourage developers to go above and beyond the bronze standard, but there must be clear guidelines for the tiers to ensure all water companies apply the same methodology.

We believe there is a lower public health risk with a water fittings or water neutrality approach, than a water re-use approach. The risks of a re-use system include water from the re-use systems getting into the potable water system and lack of awareness, from developers, of compliance and maintenance of re-use systems. These risks must be mitigated to ensure the risk to public health is lowered.

### **Q6. Do you have any comments on our proposal for a common methodology / technical standards to assess water efficiency?**

We agree with the proposal for a common methodology and technical standard to assess water efficiency.

For the water fittings approach, water efficiency fittings should also be clearly marked up and datasheets should be readily available to make it easy for the developer to recognise a water efficient fitting and not have to undertake a detailed search for what they need to supply the water company with.

**Q7. Do you have any comments on the details of our proposal for companies to offer bespoke incentives?**

We support the idea of bespoke incentives.

**Q8. Do you have any comments on the potential for reputational incentives?**

We support the idea of reputational incentives and would be interested how this could be communicated to the developers' potential customers.

**Q9. We seek views on how the process for agreeing and paying environmental incentives might best be organised in practice, and whether this is consistent with existing developer services processes.**

Our preference would be for the developer to make the water company aware at the application stage of the level of environmental incentive they are aiming for, and for audits to be undertaken on a selection of properties once the property is substantially complete.

**Q10. Do you have any comments on how high levels of compliance with the incentive technical standards might best be achieved?**

In addition to water companies engaging more with developers on compliance for environmental incentives, we would also expect building federations to be engaged with their members on this matter.

We agree with a proposal to make the payments following an audit on a new home, after fittings/systems have been installed and support the idea of a period of disqualification for continued non-compliance.

**Q11. Do you have views on whether environmental incentives are best funded as an environmental component of the infrastructure charge or as a separate charge?**

We agree that environmental incentives are best funded as an environmental component of the infrastructure charge.

**Q12. Do you have any comments on our proposal for guidance issued under the charging rules and how they are developed and maintained?**

We support the proposed guidance outlined in the consultation.

**Q13. Do you have any comments on our approach for managing interactions with the regulatory framework?**

We do not have any comments on the approach outlined in the consultation.