

Variation of Independent Water Networks Limited's appointment to include Bower Farm, Bridgwater

On 11 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 Wessex Water Services Limited's ("**Wessex Water**") water supply area and sewerage services area called Bower Farm, Bridgwater ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 9 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 21 June 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 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 had no comments or objections with regard to this consultation. The points raised in the responses from CCW and the Environment Agency are set out below.

CCW

In general, CCW expects that new appointments and variations (“**NAVs**”) should bring benefits to customers on the proposed NAV site, such as matching or improving the pricing, levels of service or service guarantees offered by the incumbent company. This is particularly true for developments that include domestic housing, as household customers cannot choose or switch supplier.

CCW is disappointed that there is no direct financial benefit to customers from having Independent Water Networks as their provider of water services, as Independent Water Networks intends to match the charges of Wessex Water. However, CCW acknowledges that Independent Water Networks offers a discount of 2.5% against incumbents' charges and offers discounts to those of its customers who are able, and opt, to take up e-billing or pay by direct debit. In addition, Independent Water Networks generally matches or exceeds the service standards of Wessex Water and so, overall, CCW supports the application as customers would be no worse off in terms of the amount they pay and will potentially be better off than if Wessex Water provided water and sewerage services to the Site.

CCW notes 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 Wessex Water does, but it will offer the standard WaterSure tariff for qualifying customers. CCW states that until Independent Water Networks can provide a formal social tariff, it is appropriate for it 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 notes that by matching Wessex Water's charges, Independent Water Networks already benefits from the cross-subsidy that Wessex Water's customers pay to support its social tariff.

CCW notes our conclusion that, as a result of the variation, Wessex Water's existing customers would see no increase in their annual water bills and an increase of £0.01 on their annual sewerage bills. However, it notes that it is unclear whether there will be any significant benefits to the existing customers of Wessex Water and questions the value of the NAV regime if it cannot deliver benefits to all customers.

Our response

One of our key policies is that customers should be no worse off if a NAV 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 Independent Water Networks 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.

Environment Agency

The Environment Agency stated that they had no objection to the consultation occurring but made a number of comments. The Environment Agency noted that no proof had been provided that Wessex Water had confirmed downstream capacity. It further commented that Independent Water Networks should note that 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 Environment Agency also commented that the foul flow from the new development must be connected to the Wessex Water's sewer network for full treatment at a Wastewater Treatment Works and that Wessex 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.

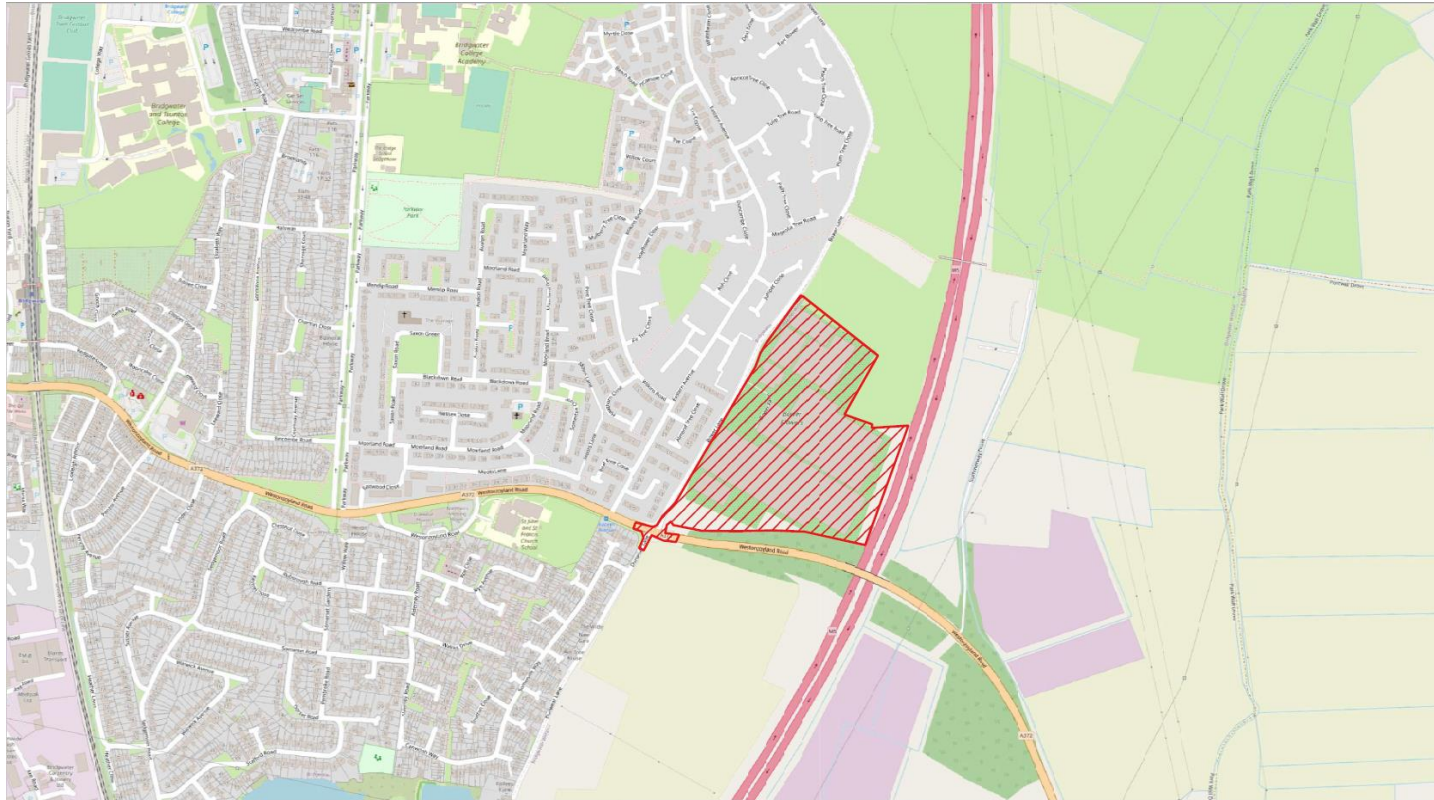
The Environment Agency further noted that the receiving public sewer should have a design capacity to convey dry and wet weather flows according to the Best Technical Knowledge not Entailing Excessive Cost and that the new development should have separate foul and surface water drainage to alleviate pressure on the foul or combined system with source control via Sustainable Drainage Systems. Wessex 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. Any incidents that could impact on the environment should be reported to the Environment Agency as soon as practicable.

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These comments were forwarded to the applicant to note.

2. Site Maps

Water



PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND WESSEX WATER SERVICES LIMITED, AS WATER UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ... 20/06/2023

ADDRESS: BOWER FARM, BOWER LANE, BRIDGWATER, SOMERSET, TA6 4TY
OS GRID REFERENCE: 332034,136757
SCALE: 1:8000
DRAWN BY: NS
DATE: 10/02/2022

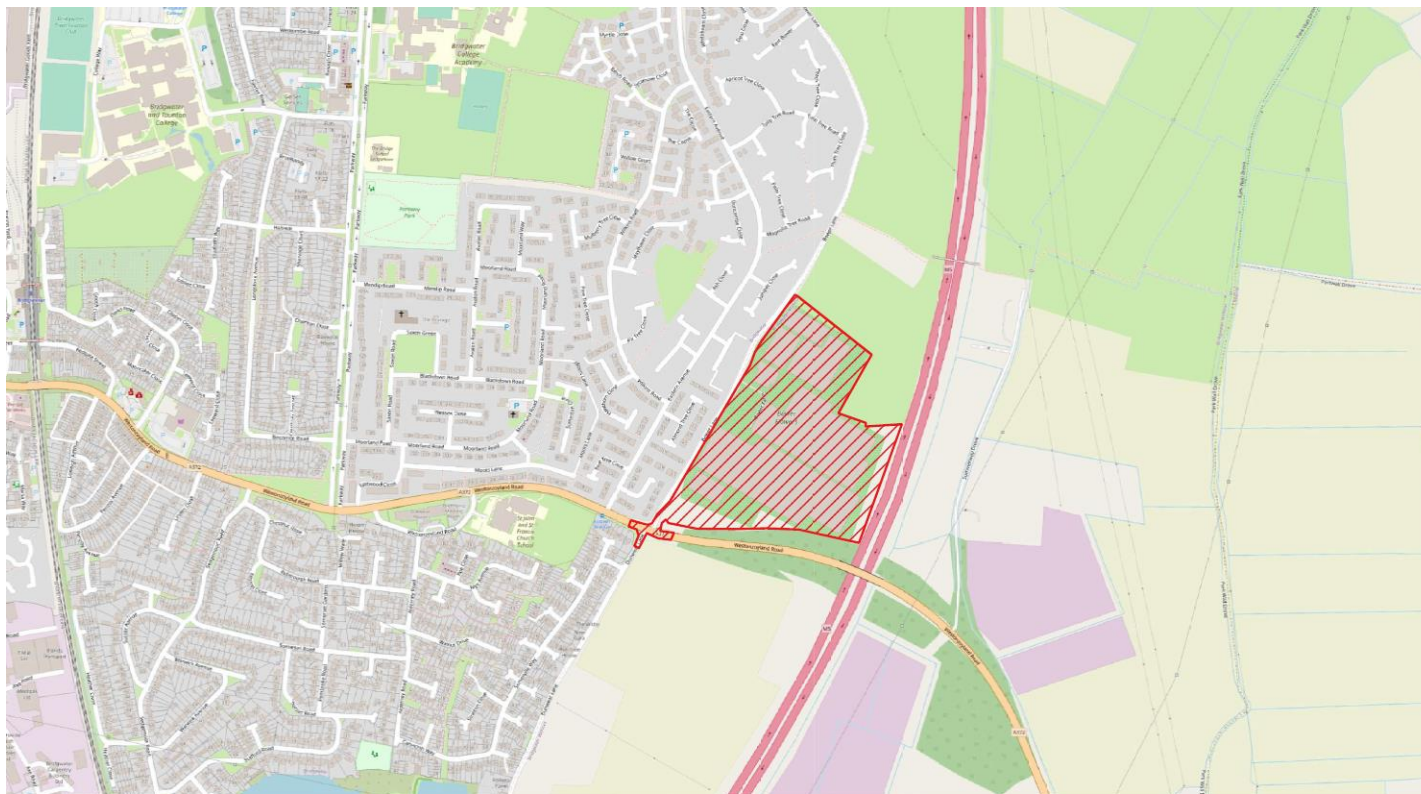
0 100 200 m



BOWER FARM INSET WATER
MAP 2



Sewerage



PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND WESSEX WATER SERVICES LIMITED, AS SEWERAGE UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ... 20/06/2023

ADDRESS: BOWER FARM, BOWER LANE, BRIDGWATER, SOMERSET, TA6 4TY
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BOWER FARM INSET SEWERAGE
MAP 2



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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 Wessex Water Services Limited as Water and Sewerage Undertakers

Made on 20 June 2023

Coming into effect on 21 June 2023

1. Independent Water Networks Limited ("Independent Water Networks") and Wessex Water Services Limited ("Wessex 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 and Wessex 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 Bower Farm, Bridgwater which is shown edged in red on the plan attached to this variation, ("the Site") is within Wessex Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Countryside Properties (UK) 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 Wessex Water's 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.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Countryside Properties (UK) Limited, the Water Services Regulation Authority **varies** –

¹ Wessex 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.

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; and
- (b) the Appointment of Wessex Water as a water and sewerage undertaker so that the Site is excluded from Wessex 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