

Variation of Leep Networks (Water) Limited's appointment to include Barton Farm (Phase 2a), Winchester (sewerage)

On 2 August 2022, Ofwat began a [consultation](#) on a proposal to vary Leep Networks (Water) Limited's ("**Leep Water**") appointment to become the sewerage services provider for a development in Southern Water Services Limited's ("**Southern Water**") sewerage services area called Barton Farm (Phase 2a), Winchester ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 30 August 2022. During the consultation period, we received a response from one organisation, which is 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 response we received to the consultation has not changed that view.

Having assessed Leep Water's application and having taken account of the response we received to our consultation, we decided to grant a variation to Leep Water's area of appointment to allow it to serve the Site for sewerage services. This appointment became effective on 20 June 2023.

The Site Map 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 one response to our consultation from the Environment Agency. The Environment Agency had no comments to make with regard to this consultation and did not have any objections.

The DWI and Environment Agency had no comments to make with regard to this consultation and did not have any objections. The points raised in the response from CCW are set out below.

1.1 CCW

As part of the application process Ofwat engaged with the Consumer Council for Water (“**CCW**”). CCW's position is that new appointments and/or variations (“**NAVs**”) should bring benefits to customers on the proposed NAV site. CCW expects NAV Appointees to provide consumers with prices, levels of service or service guarantees that match or, ideally, better those of incumbent water and sewerage companies. CCW has stated that it is satisfied that Leep Water, as an established NAV Appointee, offers customers on its NAV sites prices and levels of service which match or better those offered by the incumbent water and/or sewerage companies which would otherwise serve the site. CCW agrees with Ofwat's assessment that customers on the Site will be no worse off if served by Leep Water and so, overall, supports the proposed variation of appointment.

CCW recognises that due to the small size of Leep Water's customer base, it does not currently offer its financially vulnerable customers a social tariff in the way that the incumbent companies do but does offer the standard WaterSure tariff for qualifying customers. CCW considers that it is appropriate for Leep Water to tailor the services it provides, until it can offer a formal social tariff, ensuring customers are provided with appropriate flexible support where needed. CCW is pleased to acknowledge Leep Water's commitment set out in its Household Charges Scheme 2023-24, that where a customer requests that Leep Water consider their particular financial circumstances, it will seek to match the level of service provide by the relevant incumbent company.'

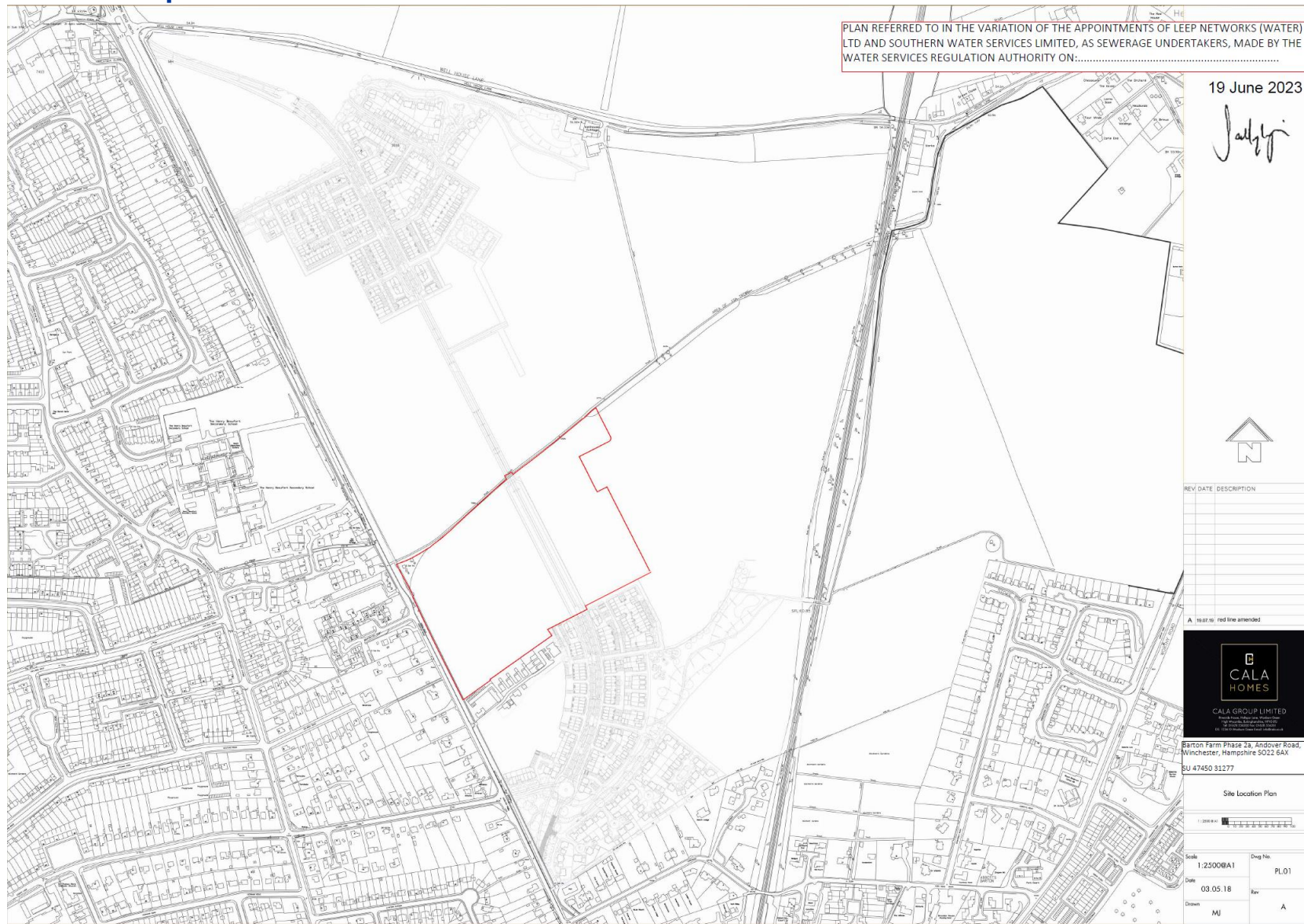
CCW notes that it is important for the NAV regime to have wider benefits for all customers, including those of incumbents, particularly as the number of sites in each incumbent area increases. CCW expects NAV companies and incumbent companies to work together to ensure the arrangements on the site and bulk charges are reflective of the impact on an incumbent's existing customers.

Our response

One of our key policies when considering NAV applications 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 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



3. Variation Notice

WATER SERVICES REGULATION AUTHORITY
WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9

Variation of the Appointments of Leep Networks (Water) Limited and Southern Water Services Limited as Sewerage Undertakers

Made on 19 June 2023
Coming into effect on 20 June 2023

1. Leep Networks (Water) Limited ("Leep Water") and Southern Water Services Limited ("Southern Water") hold Appointments as sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Leep Water and Southern Water as sewerage undertakers relate ("Sewerage Services Area") are set out in their Instruments of Appointment.
2. The site called Barton Farm (Phase 2a), Winchester in Hampshire, which is shown edged in red on the plan attached to this variation, ("the Site") is within Southern Water's Sewerage Services Area. The Site is being developed by Cala Homes (Thames) Limited.
3. Leep Water has applied under section 7(4)(b) of the Water Industry Act 1991 ("the Act") for a variation of its Appointment as a sewerage undertaker to include the Site and for a consequential variation of Southern 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 Leep Water's application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Cala Homes (Thames) Limited, the Water Services Regulation Authority **varies**–

(a) the Appointment of Leep Water as a sewerage undertaker so that the Site is included in Leep Water's Sewerage Services Area; and

(b) the Appointment of Southern Water as a sewerage undertaker so that the Site is excluded from Southern Water's Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Sally Irgin
Director of Enforcement

¹ Southern 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. Leep Water's 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.