

Casework – Adoption Codes Discussion
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Agreements for water companies to adopt infrastructure – a discussion paper

We welcome the opportunity to be part of this discussion paper, to help to improve the way that infrastructure adoptions take place and continue to improve both service delivery and relationships with our customers.

We are currently involved in collaborative projects on this issue and are engaging with stakeholders to drive continuous improvement. We agree with the discussion paper that it is important that these projects, driven through Water UK, are built upon and the principles which underpin them are reflected in OFWAT's codes in relation to adoption agreements.

Our response to the points raised is attached in Annex A. If you would like any further information please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to be 'S Betteridge', written over a circular scribble.

Steve Betteridge
Head of Developer Services

Annex A

Common Procedures (Q1-3) and Terms and Conditions (Q6-9)

We have been working very closely with key stakeholders to improve transparency and service delivery within developer services. As OFWAT has alluded to this has included numerous collaborative projects to improve both the technical guidance for sewers for adoption, as well as refreshing the code of practice for self-laying water mains.

We agree that this needs to be built upon and reflected in any codes which OFWAT produce, and that this is best achieved through the provision of high level key principles as opposed to a more prescriptive common practice approach.

Common procedures and terms and conditions which may be utilised pursuant to statutory provisions are obviously key and underpin the projects currently being undertaken. The following is not exhaustive list but are being considered as part of our stakeholder engagement.

- Provision of application forms and the handling of incomplete applications
- The importance of providing supporting technical information both pre and post construction; including details of SUDS features and pumping stations
- Inclusion of terms/procedures specifically relating to charges or any security and/or bond requirements;
- Final inspection and vesting of works
- Varying terms of an adoption agreement and termination
- Guidance for asset value payments;
- Claw back charges;
- Timescales for defect resolution
- The importance/consideration in relation to the effect on water quality and health and safety.
- The provision of associated infrastructure required downstream of a new connection
- The requirement on a developer to construct infrastructure in a manner differing, as regards material or size of pipes, depth etc. than required, and repayment by the undertaker of additional expense reasonably incurred by the developer in these circumstances.
- Specification of connection points.

There is a concern that making any procedure/conditions mandatory as part of OFWAT's codes may restrict the current collaborative projects being undertaken or stifle innovation. That being said, we do recognise that there is a balance to be struck with the need for consistency and transparency, which are key overarching principles in the projects being undertaken, which we would welcome being reflected in OFWAT's codes.

OFWAT Variation/termination of Agreements (Q4-5)

We believe that it would be useful for the codes to outline any process of intervention by OFWAT in relation to adoption agreements. In particular it would be useful to highlight principles of the intervention process and any relevant timescales.

We believe it would be helpful for the codes to highlight what is deemed as non-contestable works due to the level of risk to undertakers existing network and customers.