

## **HBF National Technical Conference**

New water and sewerage connections  
and developer services

Emily Bulman, 16 September 2020

Independent economic regulator of the water and sewerage sectors in England and Wales

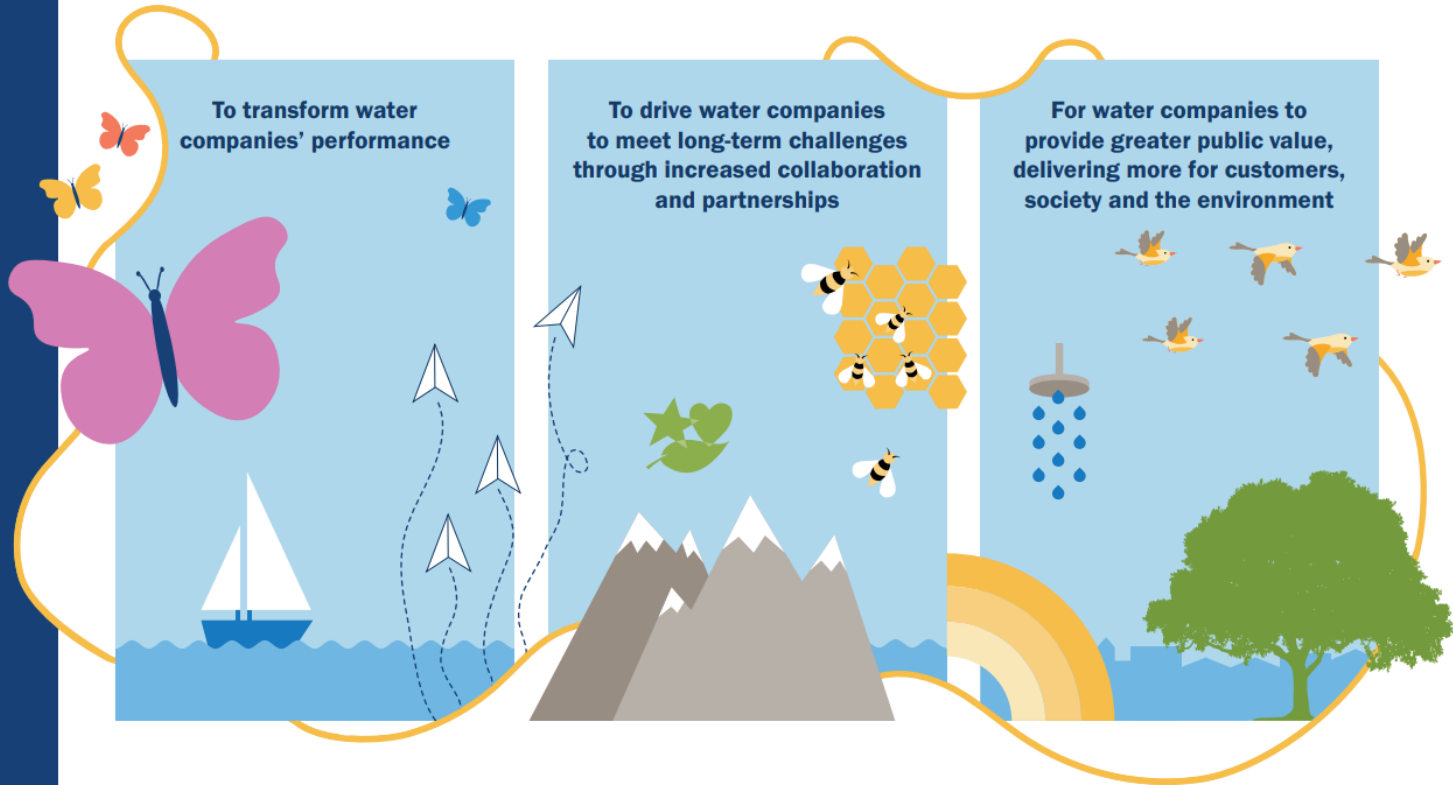
We were established in 1989 when the water and sewerage industry in England and Wales was privatised.

We work within the framework of published Government policy, including any specific social and environmental guidance



## What we want to achieve

Based on what we have heard, we have set ourselves three goals for the coming years.



## Developer services **M**easure of e**X**perience (**D-MeX**)

a **financial and reputational** incentive mechanism

to promote a **better quality service experience** to new connections customers including developers, SLPs and NAVs

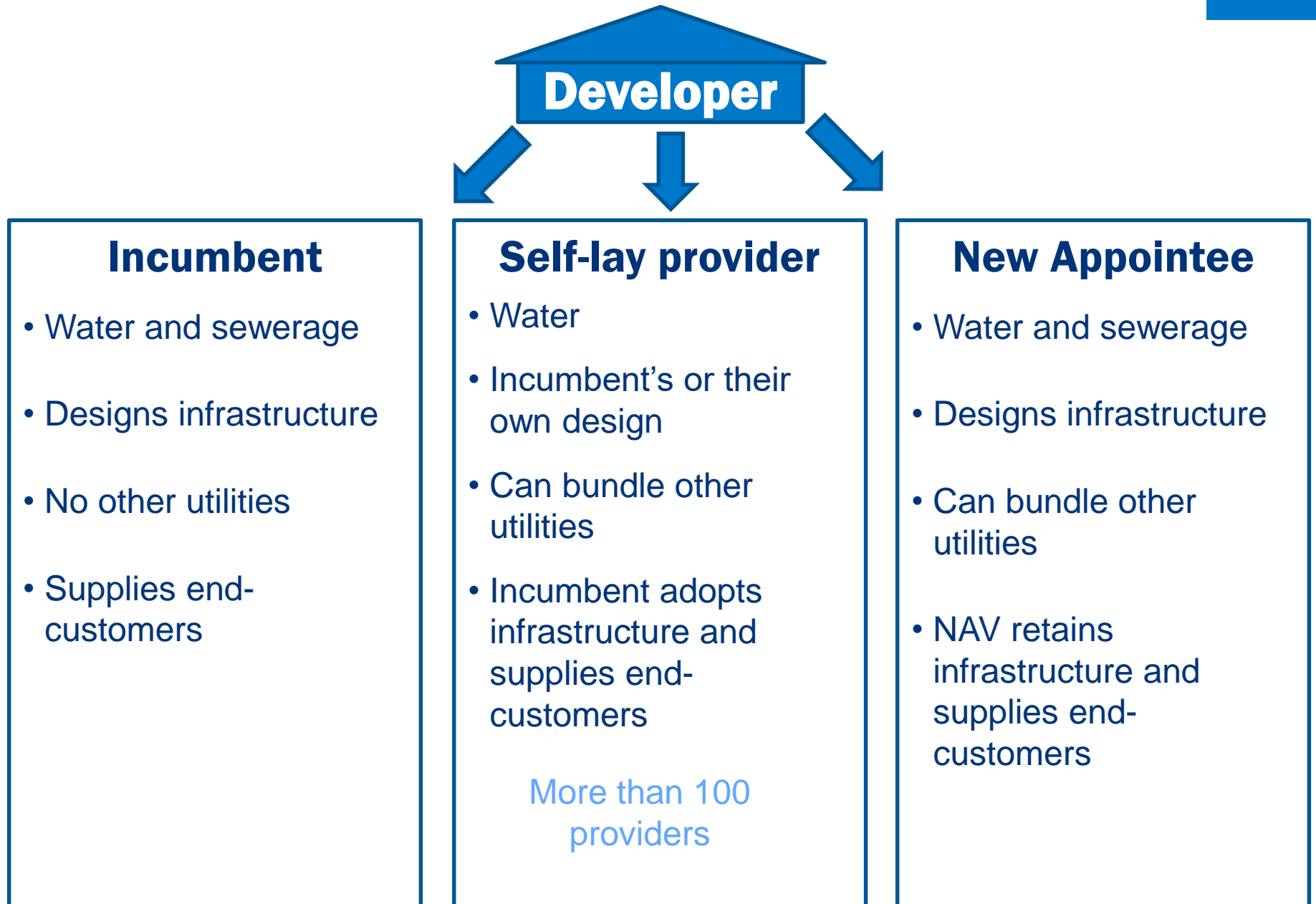
Effective from **April 2020**

Performance with respect to certain Water UK **service level**

Regular **satisfaction survey** of developer services customers



Annually: combine into a single D-MeX score for each water company, **rank** and publish. Apply financial incentives.



A more consistent approach

- Sewerage from 1 April 2020
- Water from 1 January 2021

*Panels: constructive collaboration to continuously improvement the arrangements*

We cap the annual revenue  
of each water company in  
advance

through our five yearly  
price review (PR19) ...

... this means that they do  
not gain by over charging  
customers ...

... charges should reflect  
costs

- ✓ Companies **publish** their charges
- ✓ Off-site charges **averaged** over five years
- ✓ Clear distinction between on-site and off-site charges (supporting choice)



From April 2020: **income offset** moved from requisitions to infrastructure charge, to support a more vibrant and competitive market for developer services





*We think the English charging rules work well. But there is room for improvement (April 2022 onwards)*

Greater consistency between charging arrangements (May consultation)

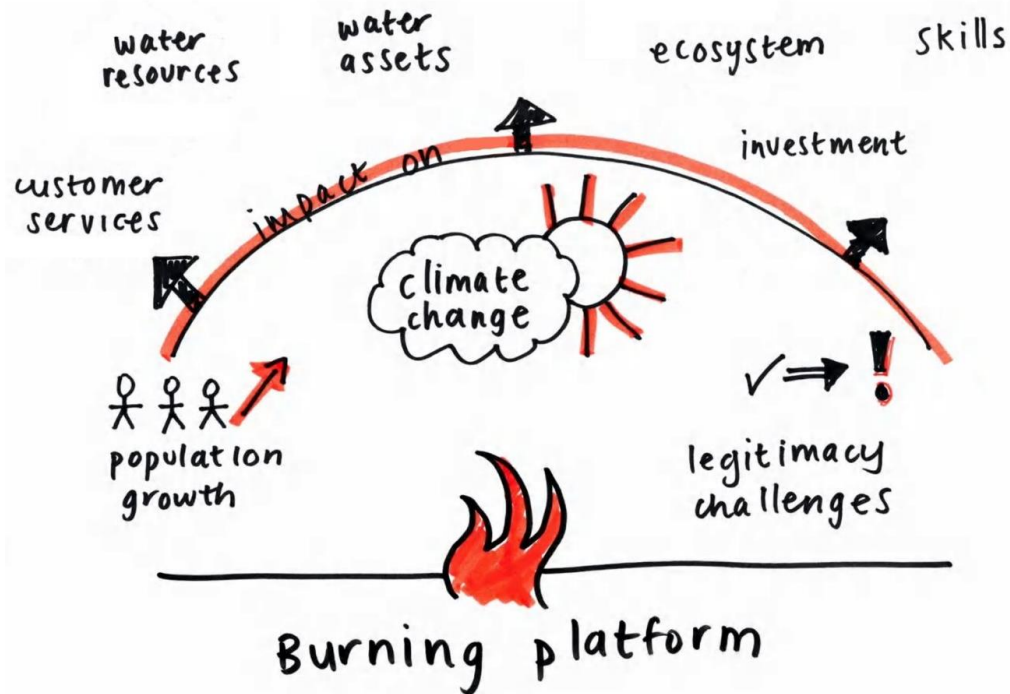
Greater reassurance around the cost reflectivity of charges

Balance of charges rule fixed at pre-2018 levels

Are charges fit for purpose even for very large developments?

Are charges fit for purpose for full-serve NAVs?

What should the charging rules look like for Welsh companies?



- Now have arrangements for adopting Sustainable Drainage Systems (SuDs)
- Innovation at specific sites – by developers, by water companies and by NAVs
- Some companies offering discounts for water efficiency / SuDs
- What more should we all be doing to support sustainable homes?

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