Consultation Stakeholder Summary: Developer Services Charging Arrangements Charges for 2024/25

December 2023

Contents

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1.0 Introduction

SES Water are committed to working in an open, collaborative and transparent way including our emerging thinking when seeking to make improvements within our offering to all customer types. We engage with Developer Services customers and stakeholders on our proposed changes to the Charging Arrangements for connecting new properties to the water network, prior to implementing any changes.

The purpose of this consultation was to seek feedback to help shape updates to our Charging Arrangements. This report outlines the responses and outcomes from the initial phase of consult with Developer Services customers and stakeholders on the Charges Arrangements for implementation in 2024/25

Developer Services customers and stakeholders have a direct role to play in our proposed approach and service offerings. We recognise they should be involved in informed discussions and collaborative working with the ultimate aim of gaining practical support to enable us to meet the demands in growth, as house building intensifies across our region.

1.1 Consultation Process

We created both a written consultation and an online survey to consult with developer services customers on each area of the charging document, the consultation was open for four weeks and ended on 30th November 2023.

The consultation welcomed feedback on the following items:

- Quotation amendments
- Regulation fees and support service
- Self Lay Provider annual contestability
- Financial incentives

As part of Ofwat's information requirement, we will also publish a statement of significant changes for new connections and developments stating whether bills for typical developments have increased by more than 10% and what handling strategies we have developed to manage the impact (if any) alongside publishing our final 2024/25 charges.

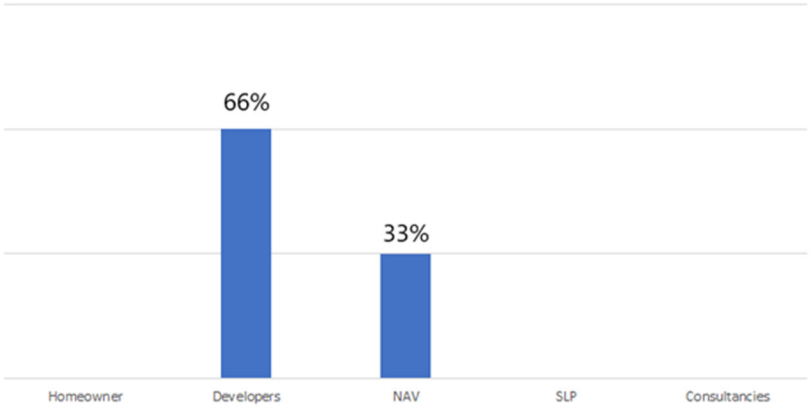
Respondents were asked questions to determine the level of agreement with key proposals within each section. The survey also included open response questions to give developers the opportunity to provide further comments and feedback on their thoughts in relation to the charges.

Several channels were used to make developers aware of the charging document and consultation survey:

- Personalised emails and phone calls to existing relationships
- Database mail shot to >600 stakeholders
- Emails to multi utility consultancy companies

2.0 Respondent profile

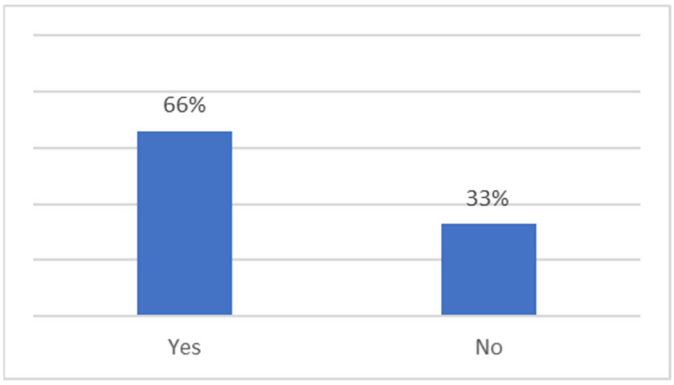
Our analysis of responses is formed by a small sample size of respondents. A total of 3 individual responses were received. The respondents can be grouped as the following stakeholders;



2.1 Responses and outcomes

Question 2.1 Is the facility of a budget quotation a tool you would utilise?

- Yes
- No



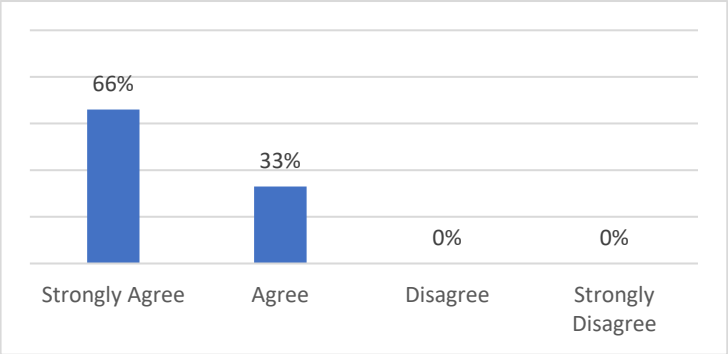
Stakeholder Commentary

Developers would like to see a budget facility to support on enquiries and tendering opportunities. Whereas the NAVs preference is firm quotations for stability.

Question 2.2 Do you agree the proposed SLA for responding to a budget enquiry of 2 working days is adequate?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

Please elaborate on your response



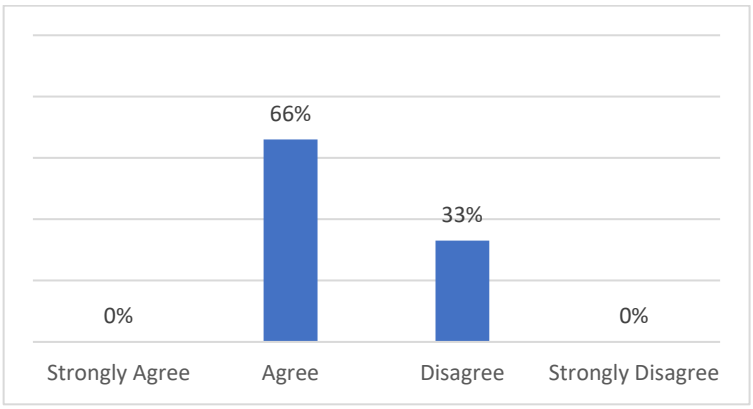
Stakeholder Commentary

Whilst in general this turnaround time is accepted, concerns were raised that a 'desktop study' must provide confidence in costing accuracy.

Question 2.3 Do you agree with our proposal to update our quotation terms and conditions to recharge unforeseeable third party costs to the applicant?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

Please elaborate on your response.



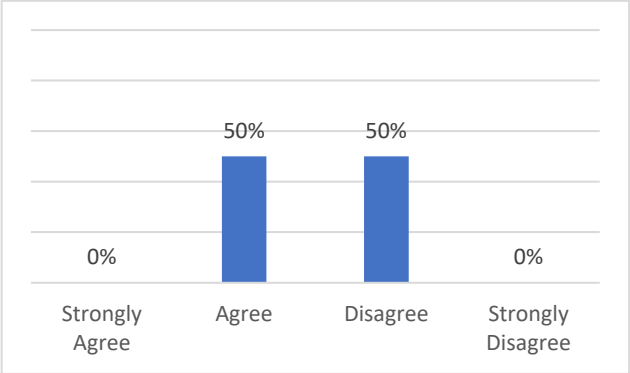
Stakeholder Commentary

No supporting comments were provided with disagreement. Agreement understood that unforeseeable events can occur.

Question 3.1 In your experience with SES Water, have you found the 'additional regulation inspection fee' to be a barrier to project progress?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

Please elaborate on your response.



Note: 1 respondent did not complete this question

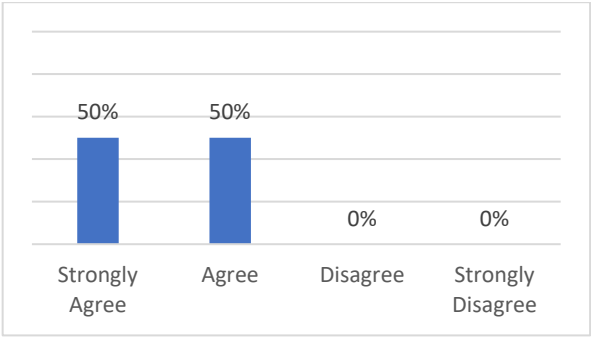
Stakeholder Commentary

No commentary was provided on this question.

Question 3.2 Do you agree the proposal to reallocate the 'additional regulation inspection fee' into our 'Administration Fees' between all customers?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

Please elaborate on your response.



Note: 1 respondent did not complete this question

Stakeholder Commentary

No commentary was provided on this question.

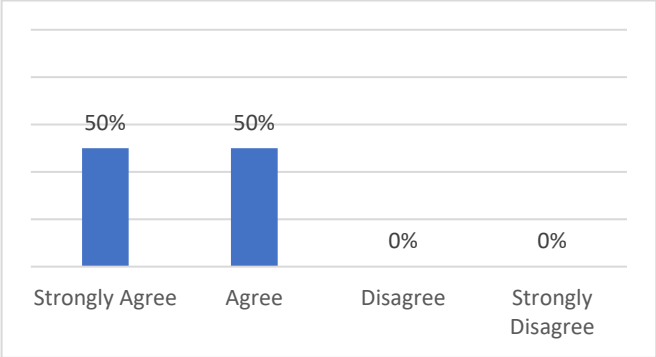
Question 3.3 What other suggestions do you have for improving our support on compliance with the Water Supply (Water Fittings) Regulations 1999?

Stakeholder Commentary
No commentary was provided on this question.

Question 4.1 Do you agree with our proposal to expand the constable activities detailed in table 9?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

Please elaborate on your response.



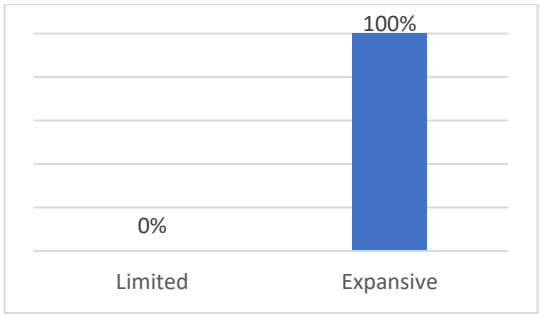
Note: 1 respondent did not complete this question

Stakeholder Commentary
The NAV commented they believe by expanding the table it will enable further competition in the market.

Question 4.2 As a self lay provider, do you prefer a limited or expanded field of contestable activities?

- Limited contestable activities
- Expanse of contestable activities

Please elaborate on your response and give us reasons for your preference.

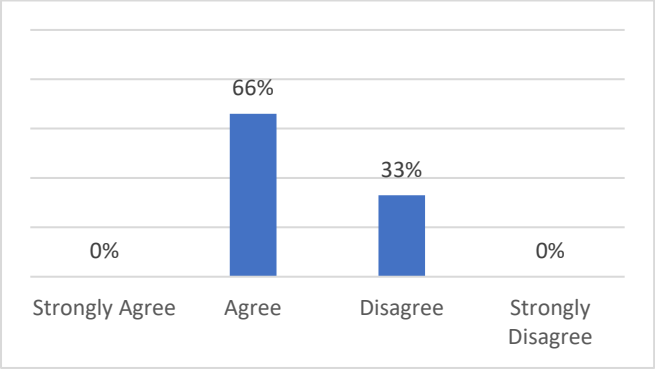


Stakeholder Commentary
This was supported by all parties identifying additional efficiencies in delivery and cost savings could be achieved.

Question 5.1 Have you found our changes to the environmental incentive mechanism simpler?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

Please elaborate on your response and give us reasons for your preference.



Stakeholder Commentary

Whilst the majority agree the approach is simplified, SES Water are not deploying a tiered reduction system. There was concern that a large number of unknowns exist around the safety of grey water recycling.

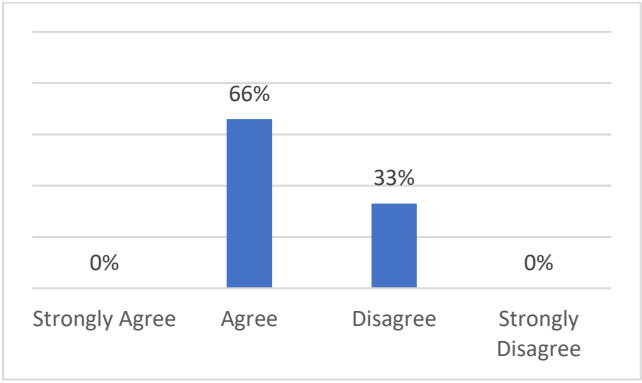
The question was asked as to how SES Water propose to monitor the long term life cycle of water saving installations

Lastly, the NAV respondent replied that as yet there are no incentives available to NAVs which will be expected to maintain any water saving infrastructure, such as SuDS and greywater/rainwater systems.

Question 5.2 Do you agree with our proposal to wind up the income offset for 2024/25 as part of our transition plan?

- Strongly agree
- Agree
- Disagree
- Strongly Disagree

Please elaborate on your response.

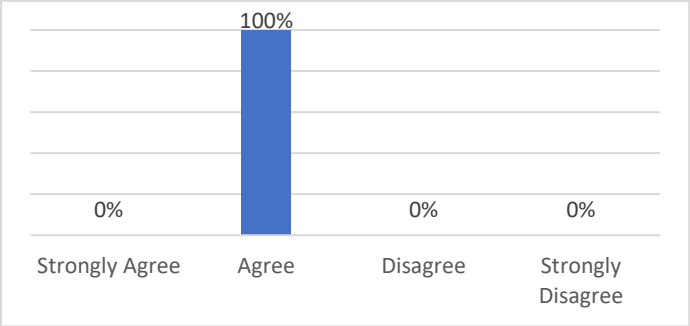


Stakeholder Commentary

No commentary was provided on this question.

Question 5.3 As a developer, are you currently constructing water efficient homes that meet our 105 litres/person/day environmental incentive minimum criteria?

- Yes
- No
- N/A



Note: This question only applies to Developers

Stakeholder Commentary

No commentary was provided on this question.

3.0 Next Steps

We remain committed to working in an open, collaborative and transparent way when seeking to make improvements within our offering to all customer types.

We will further develop our thinking and documentation based on the outcomes stated in this report. Our new Charging Arrangements will be published by 31st January 2024 and will come into effect on 1st April 2024.

Appendix

Summary of questions

2.1 Is the facility of a budget quotation a tool you would utilise?

- Yes
- No

2.2 Do you agree the proposed SLA for responding to a budget enquiry of 2 working days is adequate?

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Please elaborate on your response.

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