

ARE YOU AWARE OF THE MOST REVOLUTIONARY CHANGES IN THE WATER & SEWERAGE SECTOR SINCE PRIVATISATION IN 1989?



Competition and transparency are two major factors in the reasoning behind why the Government are looking to introduce Market Reform and the Charging Rules in the Water and Sewerage Sector. For many years business customers and more importantly developers, have been void of this in their dealings with Water and Sewerage Companies. As of April next year, all of this (in theory) is about to change.

SO WHAT DOES IT MEAN FOR THE DEVELOPERS?

Firstly the Market Reform will introduce the concept of a retail and wholesale market. What and how this will be implemented and structured is still under discussion with OFWAT. It does seem unlikely that April 2017 will be a realistic date for Market Reform to be introduced. However, it does look likely that temporary build supplies to site compounds, show homes and properties under construction will require a developer to nominate an organisation that holds a water supply licence. Yet when the property is completed, the purchaser will then revert to being billed for water and sewerage services by the Incumbent Water Company, but this is one with "watch this space" written all over it!

The Charging Rules are also in the embryonic stage of their evolution. Although DEFRA have sought to give direction to OFWAT with regards to some overarching principles in relation to what the rules need to be mindful of. The specific principles concerning the developers charging rules have yet to be consulted on by DEFRA, but OFWAT have issued a discussion paper on their emerging thinking.

"IT IS FAR TOO EARLY TO DRAW ANY CONCLUSIONS ON WHAT THE RULES WILL LOOK LIKE YET".

However, the issue of offsite reinforcement for both water mains and sewers is proving to be an interesting area of debate (See TDS article entitled "Are you falling foul of offsite network reinforcement").

In light of where we are now and an implementation date of April 2017 it does look highly unlikely that the charging rules will be in place for that date, so **"watch this space"!**

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