

# PROCEDURES FOR MAKING, VARYING AND TERMINATING ADOPTION AGREEMENTS

2018-2019

This document sets out the procedures of Anglian Water Services Limited that are in place for making, varying and terminating Adoption Agreements.

It is required by paragraph 4 and section B1.8 of the Water Services Regulation Authority's "Code for Adoption Agreements" of November 2017

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## Part A: Definitions and interpretation

**A1.** In this document the words and phrases in column 1 of Table 1 have the meanings set out in the corresponding part of column 2

**Table 1**

<b>Activity</b>	<b>Relevant section(s) in the 1991 Act</b>
the "Act"	the Water Industry Act 1991
"Adoption Agreement"	either a Water Adoption Agreement or a Sewerage Adoption Agreement
the "Code"	Ofwat's "Code for adoption agreements" of November 2017.
"Contestable"	Services and/or works that can be provided either by the Anglian Water or by an alternative provider
"Customer"	A Developer, Self-lay Provider or NAV using Anglian Water's Development Services team at any point in the process to adopt infrastructure from the point of application for an adoption agreement to the completion of that agreement.
"Developer"	Any person or company which is responsible for a Development and excludes an End-user Customer
"End-user Customer"	The owner or occupier of premises who receives a supply of water or sewerage services from a Anglian Water (whether direct or via a water supply licensee) and excludes Developers, Self-lay Providers and water supply licensees.
"New Appointee"	A company that has successfully applied for an appointment to replace Anglian Water as the water and/or sewerage undertaker at a particular site.
"Non-contestable"	Services that only the Anglian Water (or an agent acting on its behalf) can provide.
"Ofwat"	the Water Services Regulation Authority
"Self-lay Provider"	An entity that is engaged in the construction of Contestable infrastructure on behalf of a Developer.
"Sewerage Adoption Agreement"	an agreement under section 104 of the Act for the construction of sewerage infrastructure by a Customer, and the transfer of ownership of the assets to Anglian Water.
"Water Adoption Agreement"	an agreement under section 51A of the Act for the construction of water infrastructure by a Customer, and the transfer of ownership of the assets to Anglian Water.

**A2.** Words or phrases not defined in Table 1 have the meaning (if any) given in the Act.

## Part B: Background

- B1.** Ofwat is required by sections 51A and 105ZC of the Act to issue codes with respect to the agreements that Water and Sewerage Companies enter into in order to adopt infrastructure for new connections, where that infrastructure has been provided by other parties.
- B2.** Accordingly, in November 2017, Ofwat published the Code.
- B3.** Anglian Water is required *inter alia* to comply with the information and publication requirements set out in paragraph 4 and section B1.8 of the Code from 15 January 2018, until the date they are superseded by sector guidance and model adoption agreements approved by Ofwat.
- B4.** Paragraph 4 and section B1.8 of the Code provides that Anglian Water must publicise any current procedures for making, varying or terminating adoption agreements including by clearly publishing on its website or a central sector website:
- B4.1** the delivery options available to Customers for the new connections infrastructure they require, including self-lay, requisition from Anglian Water, or the use of New Appointees;
  - B4.2** any current procedural guidance, model adoption agreements, or forms a Customer is required to complete for the construction and adoption of the relevant infrastructure, including application forms;
  - B4.3** any current levels of service that Anglian Water publicly reports against, and details of redress to Customers for failure to meet those existing levels of service;
  - B4.4** information about Anglian Water's complaints process including timescales; and
  - B4.5** named contact information for queries.
- B5.** Much of the required information is already published on Anglian Water's website. This document is therefore designed to set these items out in a convenient format.

## Part C: Interpretation of the code

- C1.** Anglian Water must give regard to principles set out in Table 2 when interpreting the Code and in the development, maintenance and application of the arrangements under the Code.

**Table 2**

<b>Principle</b>	<b>Definition</b>
Customer focused	<p>Arrangements under the Code must balance the interests of Anglian Water, Customers and End-user Customers, and set out how Anglian Water will:</p> <ul style="list-style-type: none"> <li>➤ seek to deliver the services Customers need, in the timescales they require;</li> <li>➤ be Customer focused and promote the participation of Customers in the development and maintenance of those arrangements;</li> <li>➤ recognise the different types of Customer Anglian Water may need to engage with under these arrangements; and</li> <li>➤ be flexible to opportunities to innovate or provide better service.</li> </ul>
Fair and proportionate	<p>Without compromising End-User Customer's safety, arrangements under the Code must be proportionate in relation to the costs and risks faced by the Anglian Water on the one hand and the Customer on the other. The arrangements should also be fair and reasonable in terms of who holds the balance of risk.</p> <p>Additionally, the arrangements under the Code must:</p> <ul style="list-style-type: none"> <li>➤ be fit for purpose (and provide for regular review so they remain fit for purpose);</li> <li>➤ not be unnecessarily complex; and</li> <li>➤ not unfairly discriminate between Customers.</li> </ul>
Clear, complete and current	<p>Arrangements under the Code must comply with Ofwat's Information Principles.</p>

Level playing field	<p>Arrangements under the Code must:</p> <ul style="list-style-type: none"> <li>➤ provide a framework that will enable effective competition where parties can compete with Anglian Water to provide new connections services;</li> <li>➤ minimise as far as practicable the number and type of services and activities that fall within the scope of Non-contestable services;</li> <li>➤ require that Anglian Water provides Non-contestable services to all relevant parties on an equivalent basis as it provides the same services for its own business; and make clear Customers' options so they can make an informed choice about who they could get to provide the new connections services they require, for example where they need to use Anglian Water and where they can use an alternative provider.</li> </ul>
Efficiency	<p>Arrangements under the Code must promote efficient and effective processes for entering into adoption agreements and to achieve adoption.</p>
Predictability and Transparency	<ul style="list-style-type: none"> <li>➤ Arrangements under the Code must be predictable and transparent and provide Customers with sufficient certainty as to what they can expect at each step in the process of entering into adoption agreements, for example, through standardisation of approach across</li> <li>➤ the sector. Any changes to the arrangements under the Code (including company specific</li> <li>➤ practices) should be adequately signposted to Customers in advance of the change.</li> </ul>
Encourage Innovation	<p>Arrangements under the Code should encourage innovation and not unduly prevent opportunities for innovation that could deliver a better service for Customers, mindful of the associated costs.</p>
Resilience and Sustainability	<p>Arrangements under the Code must have regard to the efficient use of resources and the long-term resilience of Anglian Water's water supply and sewerage systems as regards environmental pressures, population growth and changes in consumer behaviour.</p>

## Part D: Available delivery options

- D1.** In this part, we set out the delivery options available to Customers for the new connections infrastructure they require, including self-lay, requisition from Anglian Water, or the use of New Appointees.
- D2.** It is possible for Developers to use the self-lay regime for the construction of water and sewerage infrastructure.
  - D2.1** For water infrastructure, a Developer may appoint an independent Self-lay Provider to undertake the Contestable work of designing and/or installing water mains and services on a new development site in the Anglian Water area. The Self-lay Provider must at a minimum be partially accredited with the Water Industry Regulation Scheme administered by the Lloyds Register. Self-lay includes the laying of new water mains and services (including fittings and chambers) to connect to Anglian Water's water mains subject to our approval.
  - D2.2** The following present a high risk, therefore Anglian Water may complete the works itself in the following circumstances:
    - D2.2.1** the source water main is a trunk or a strategic main;
    - D2.2.2** the source water main has high failure rate.
    - D2.2.3** the material of the source water main is such that it needs depressurisation before connection.
  - D2.3** Self-lay works can include both on-site mains and those off-site that extend to the point of connection on the existing network, as determined by Anglian Water.
  - D2.4** The Developer or Self-lay Provider should provide all the necessary approved materials and resources to construct the works adequately. If requested, the Self-Lay Provider should also be able to provide a materials schedule to Anglian Water.
  - D2.5** Once the Developer and Self-lay Provider have completed the works and connected the property, water is supplied via a trickle-flow plug for the purposes of water quality and water fittings testing. Subject to satisfactory results the permanent connection is carried out and the infrastructure is then adopted by Anglian Water.

- D2.6** All the above requirements are covered by an industry-standard Water Adoption Agreement between Anglian Water, the Developer, and the Self-lay Provider under section 51A of the Act.
- D2.7** For sewerage infrastructure, a Developer may itself undertake the Contestable work of designing and/or installing a sewer and lateral drains on a new development site in the Anglian Water area. Self-lay includes the laying of all accessories to the sewer or lateral drains.
- D2.8** Self-lay works can include both on-site sewers and those off-site that extend to the point of connection on the existing network, as determined by Anglian Water.
- D2.9** The Developer should provide all the necessary approved materials and resources to adequately construct the works and should construct the works to an adoptable standard as set out in the Sewerage Adoption Agreement.
- D2.10** Once the Developer and Self-lay Provider have completed the works, they will, in accordance with the Sewerage Adoption Agreement, and subject to satisfactory inspections and performance during the defects liability period, be adopted by Anglian Water.
- D2.11** All the above requirements are covered by an industry-standard Sewerage Adoption Agreement between Anglian Water and the Developer (and sometimes a third party land-owner) under section 104 of the Act. The industry standard appears in the publication "Sewers for Adoption" which can be obtained at: <http://sfa.wrcplc.co.uk/>
- D3.** It is also possible for Developers to requisition new water mains, sewers or lateral drains from Anglian Water.
- D3.1** If there is no public water main on the development site or immediately outside it, and a Developer does not wish to use the self-lay regime, the Developer may want to requisition a new water main. Anglian Water will design and construct the new water main and make new water connections for the Developer.
- D3.2** Please be aware that as of 1st April 2017, if the development is of non-household premises or the Developer is applying for a temporary building supply, at the time of connection a water retailer will need to have been selected. Anglian Water has exited the non-household retail market for water, but we have a useful guide at <http://www.anglianwater.co.uk/business-retailers/switching-supplier.aspx>



- D3.3** If the development site has no means of drainage to an existing public sewer due to third party land, a Developer can requisition (formally request) a new public sewer. This means that we can provide both a foul and surface water sewer to serve that site. Requisitions of lateral drains (which serve only one set of premises) are also possible.
- D3.4** We also offer a hybrid form of self-lay, where a Developer wishes to construct its own sewer under a Sewerage Adoption Agreement as mentioned in paragraph D2.10, but is unable to do so due to intervening third party land over which it is unable to gain consent for the works. In this case, we will appoint the Developer as our contractor under what we call a "section 30 agreement" (due to one of the legal provisions in the contract), using our statutory powers but allowing the work to be carried out by or on behalf of the Developer.
- D4.** Whether the Customer opts to construct water or sewerage infrastructure using the self-lay regime or requisition regime, separate agreements will be necessary for each phase in a phased development.
- D5.** New appointments (and variations) work as follows:
- D5.1** The Water Industry Act 1991 incorporates legislation which makes provision for sites within an existing undertaker's area to be served by another undertaker. Where an alternative undertaker is appointed, a new appointment is made by Ofwat.
- D5.2** There are three circumstances in which a new appointment can be granted:
- D5.2.1** where the premises of one or more End-user Customer is supplied (or is likely to be supplied) with at least 50 mega litres of water per year. The same criterion applies for water recycling services;
  - D5.2.2** where no premises within the area are served by an appointed company i.e. the site is 'unserved'. This includes areas which are supplied by private, unregulated supplies. This criterion has to be met for both water and water recycling services, and is the criterion most relevant to this document; or
  - D5.2.3** if the existing appointed company consents to the transfer of that area
- D6.** The alternative supplier, or New Appointee, will hold an Instrument of Appointment and therefore have all the same duties and responsibilities to

the End-user Customers, Developers and Self-lay Providers within the new appointment site as the previous statutory supplier.

- D7.** Every New Appointee must have access to adequate water resources and/or water recycling facilities in order to service the customers on the site. If the site is within the Anglian Water statutory area of supply and the New Appointee does not have direct access to its own water resources and/or water recycling facilities, these services can be purchased from Anglian Water.
- D8.** For water, this is purchased in the form of a bulk supply of water delivered to an agreed point, usually at the site boundary.
- D9.** For used water, this is purchased in the form of a discharge point, usually at the site boundary, where bulk effluent is discharged into our water recycling system.
- D10.** The supply of these services is governed by bespoke legal agreements under section 40A and 110A of the Act, which are negotiated between the parties and sometimes part of these legal agreements govern the provision of new infrastructure to the New Appointee.
- D11.** New Appointee enquiries can be submitted using our Development Services Portal **InFlow** (<https://inflow.anglianwater.co.uk>). The normal service level is 15 business days. Where additional modelling work is required, the appropriate Account Manager will be in contact. For queries regarding current new appointments, see contact details set out in paragraph H4.

## Part E: Current procedures

**E1.** In this part, we set out our current procedural guidance, model adoption agreements, or forms a Customer is required to complete for the construction and adoption of the relevant infrastructure, including application forms

**E2.** In respect of Water Adoption Agreements:

**E2.1** Our self-lay policy can be found at:

<http://www.anglianwater.co.uk/assets/media/Self-lay-Policy.pdf>

**E2.2** Our standard Water Adoption Agreement can be found at:

<http://www.anglianwater.co.uk/assets/media/Self-lay-Agreement.pdf>

**E2.3** The relevant application form can be found at:

<https://inflow.anglianwater.co.uk>

**E2.4** Notification forms can be found at:

<https://inflow.anglianwater.co.uk>

NB: It is very important that we are kept informed during the self lay process, and thus self lay notification forms must be completed and returned prior to starting work. Failure to do so will result in delays to the delivery. Forms differ according to the stage of the self lay process. SL1, SL2 & SL7 relate to self lay of water mains; and SL3, SL4, SL5 & SL6 relate to self lay of service connections

**E2.5** Anglian Water is also a member of Water UK, which is a trade body and an association of water undertakers and sewerage undertakers (including new entrants), and some water supply and sewerage licensees. We also therefore subscribe to Water UK's self-lay code of practice available at:

<https://www.dropbox.com/s/gguqtrvt84zi8g5/Self-lay%2013%20Jun%202017.pdf?dl=0>

How we depart from that code of practice is set out in paragraph 3.0 of our self-lay policy referred to in paragraph E2.1

**E3.** In respect of Sewerage Adoption Agreements:

**E3.1** The process and policies we apply, together with the application form can be found at: <https://www.anglianwater.co.uk/developers/self-lay/>

**E3.2** We use slightly different standard agreements depending on whether a cash surety or bank bond is to be provided, but our standard Sewerage Adoption Agreement where a cash surety is to be given can be found at:

[http://www.anglianwater.co.uk/\\_assets/media/S104-Agreement.pdf](http://www.anglianwater.co.uk/_assets/media/S104-Agreement.pdf)

**E3.3** As set out in the process document referred to in paragraph E3.1, the Customer is responsible for providing a deed or grant of easement for a discharge into a watercourse. A legal technical fact-sheet explaining why this is required and what will suffice (and what will not) is now available at:

[http://www.anglianwater.co.uk/\\_assets/media/Deed-of-Easement.pdf](http://www.anglianwater.co.uk/_assets/media/Deed-of-Easement.pdf)

## Part F: Current levels of service and redress

- F1.** In this part, we set out current levels of service that Anglian Water publicly reports against, and details of redress to Customers for failure to meet those existing levels of service.
- F2.** As stated in paragraph E2.5, Anglian Water is a member of Water UK, which is a trade body and an association of water undertakers and sewerage undertakers (including new entrants), and some water supply and sewerage licensees. We also therefore subscribe to Water UK's set of standards that developers and others can expect from water companies in relation to the provision of infrastructure for housing development. Since July 2015 Water UK has been reporting on levels of services achieved. This quarterly report measures water company performance in dealing with a broad range of activities which are essential for housing development against levels of service that Customers can expect in relation to the provision of water services infrastructure. The metrics relevant to adoption agreements, upon which we and other companies report, are set out in Table 3 for water and Table 4 for sewerage.

**Table 3**

<b>Metric</b>	<b>Target</b>
Self-lay point of connection applications – written acknowledgements within target	5 days
Self-lay Point of Connection report < 500 plots etc. - reports issued within target	21 days
Self-lay Point of Connection reports >500 plots etc. - reports issued within target	28 days
Self-lay design approval and terms request application - written acknowledgements within target	5 days
Self-lay design and terms request <500 plots etc. - quotations within target	14 days
Self-lay design and terms request >500 plots etc. - quotations within target	42 days
Self-lay signed agreement - acknowledgements within target	5 days
Self-lay water for pressure/bacteriological testing - provided within target	28 days
Self-lay permanent water supply - provided within target	14 days
Self-lay vesting certificates - issued within target	7 days
Self-lay Asset Payments - issued within target	35 days
Self-lay plot references and costing details - issued within target	14 days

**Table 4**

<b>Metric</b>	<b>Target</b>
Technical vetting of adoptions & diversions– acknowledgements within target	14 days
Technical vetting of adoptions & diversions – applications refused/returned/questioned	14 days
Technical vetting of adoptions & diversions – approval or rejection letters within target	28 days
Technical vetting of adoptions & diversions – extensions agreed	Date agreed
Adoption legal agreement – draft agreements issued within target	14 days
Technical vetting of adoptions & diversions– acknowledgements within target	14 days

**F3.** The reports containing the results are hosted on the Water UK Developer Services micro-site here:

<https://developerservices.water.org.uk/latest-reports>

**F4.** We now have a formal scheme of redress for failing to comply with the above standards in accordance with Ofwat’s recent new Adoption Code. Details of our redress scheme can be found here:

<http://www.anglianwater.co.uk/developers/our-performance-targets.aspx>

## Part G: Complaints process

- G1.** In this part, we set out information about Anglian Water's complaints process including timescales.
- G2.** Section 9 of our Customer Code of Practice contains all details as to the complaints process, which applies equally to development services matters as it does to other activities:  
<https://www.anglianwater.co.uk/household/promise>
- G3.** We deal with complaints on a case-by-case basis.

## Part H: Named contact information

- H1.** In this part, we set out named contact information for queries.
- H2.** For Water Adoption Agreements, we can be contacted in the following manner:
- H2.1** by email: [developmentservices@anglianwater.co.uk](mailto:developmentservices@anglianwater.co.uk)
- H2.2** by telephone: 0345 60 66 087 and choose option 2 and then option 2 (8.30am to 4.30pm Monday to Thursday; 8.30am to 4.00pm Friday)
- H2.3** by post:
- H2.3.1** Lincolnshire, Nottinghamshire, Humber and North Western Cambridgeshire regions: Anglian Water Development Services, Enterprise House, Witham Park, Lincoln LN5 7JE
- H2.3.2** Buckinghamshire, Bedfordshire, Northamptonshire and South Western Cambridgeshire regions: Anglian Water Development Services, Cotton Valley STW, Pineham, Milton Keynes MK15 9PA
- H2.3.3** Norfolk, Suffolk, Essex and Eastern Cambridgeshire regions: Anglian Water Development Services, Heigham WTW, Waterworks Road, Heigham, Norwich NR2 4DA
- H2.4** The managers for Water Adoption Agreements are as follows:
- H2.4.1** for sites in the counties set out in paragraph H2.3.1, Kaye Johnson-Lewis
- H2.4.2** for sites in the counties set out in paragraph H2.3.2, Julian Webster
- H2.4.3** for sites in the counties set out in paragraph H2.3.3, Andrew George
- H3.** For Sewerage Adoption Agreements, we can be contacted in the following manner:
- H3.1** by email: [developmentservices@anglianwater.co.uk](mailto:developmentservices@anglianwater.co.uk)
- H3.2** by telephone: 0345 60 66 087, option 3 (8.30am to 4.30pm Monday to Thursday; 8.30am to 4.00pm Friday)



**H3.3** by post:

Development Services  
PO Box 495  
Huntingdon  
PE29 6YY

**H3.4** The managers for Sewerage Adoption Agreements are Steve Webb (East) and Gary Boddington (West).

**H4.** For information in respect of New Appointees, we should be contacted via our Pre-Development Team in the following way:

**H4.1** by email: [navs@anglianwater.co.uk](mailto:navs@anglianwater.co.uk)

**H4.2** by post:

Anglian Water  
Pre-Development Team  
Thorpe Wood House  
Peterborough  
PE3 6WT

## Part I: Variation and termination

- I1.** In this part, we set out our policy in relation to variation of Adoption Agreements, and in relation to their termination
- I2.** Generally speaking, we will not seek to vary an existing Adoption Agreement, although this may happen in exceptional circumstances. We accept, of course, that an existing agreement requires the consent of both (or all) parties to that agreement in order for its terms to be changed. Consequently, we will seek a mutually acceptable arrangement with that (or those) parties.
- I3.** We do, however, accept that other parties to an existing Adoption Agreement may occasionally wish to vary it, due to changing circumstances at the development site, or for some other reason. In considering a request for a variation we will:
  - I3.1** act reasonably and fairly;
  - I3.2** consider the interests of any third parties (such as end-purchasers of properties) who may have relied on the Adoption Agreement;
  - I3.3** subject any alterations to the same processes as set out in Part E, although we may waive requirements where it is appropriate to do so; and
  - I3.4** comply with the same service level commitments as set out in Part F as may be applicable, although it may not be appropriate to report on variations in the same way as new applications.
- I4.** Although termination provisions exist in both Water Adoption Agreements and Sewerage Adoption Agreements, it is of the utmost rarity for Anglian Water to seek to terminate an existing Adoption Agreement. In such a case we will consult with the other party or parties to the Adoption Agreement (and any third parties that may be affected). In this way we will try to find a mutually acceptable solution (such as a variation or novation by another party) other than termination. Only where there is no reasonable and practical alternative will we proceed to termination of an Adoption Agreement.