POLICY SUBMISSION

Coalition Government Water White paper 2011

25 March

Introduction

1. The HBF is aware of the Coalition Government's plans to publish a 'Water White Paper' in summer 2011. Any recommendations arising therefrom will undoubtedly have a bearing on the operating climate for the house building industry and therefore its ability to effectively respond to the Government's housing objectives. The HBF therefore welcomes the opportunity to contribute to the thinking that is to inform such an important 'paper'.

2. In the context of water supply and drainage management, the Coalition Government's stated objectives are to maintain water supplies, keep bills affordable and to reduce regulation - three principles fully endorsed by the HBF. However, to ensure that a balanced perspective informs the White Paper, the HBF believes that a number of important and highly relevant issues must be given due consideration. In the main, these relate to both residential and commercial development in England and Wales.

3. The way the Water and Sewerage Sector is regulated is unique. Water and Sewerage Companies (WaSCs) are private but quasi-statutory bodies. Moreover, they continue to operate with monopoly privileges with freedoms to interpret the legislation for which they are responsible notwithstanding their commercial interests. This necessarily creates a major tension in the operation of the water regime. The general perception is that the activities of WaSCs are 'regulated', but the reality we experience is often the converse with WaSCs able to use their monopoly position, the planning system and their ability to interpret legislation to leverage asset betterment and/or inequitable contributions from house builders. In terms of sewers, and to highlight this fact, HBF members have seen WaSCs continue to disregard a key decision handed down by the Supreme Court in December 2009, see appendix D – a decision that upheld the statutory right of connection to the public sewerage network. Similarly, it reaffirmed the statutory obligations placed on WaSCs by virtue of Section 94 of the Water Industry Act 1991 to, 'effectually drain their area'.

4. When looking to define its approach to government[1], the Coalition relied on three themes, namely, 'Freedom, Fairness and Responsibility'. These in turn provide a useful benchmark in helping to place the HBF response/contribution in an appropriate context.

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1 The Coalition: Our Programme for Government – May 2010

Freedom: House-builders require sufficient freedom to meet the demand for new homes without the burden of WaSCs seeking inequitable demands for access to public infrastructure. In the absence of effective competitive disciplines enforced by the regulatory regime for WaSCs (and ending the current conflicts between public and private interests in the water sector), we cannot see anything but a continuance of the present WaSC approach; in turn this can only undermine house building viability and therefore, the delivery of new homes.

Fairness: WaSCs must begin to share some of the risk, but, more importantly, begin to accept and respond to their statutory obligations. In addition, they have to begin to take into account the benefits that new homes, built to much improved levels of sustainability bring to the Water and Sewerage Sector. For example, despite the requirements of Part G of the Building Regulations reducing water usage to 125 litres/person/day WaSCs are still factoring into their network analysis a figure of 150 litres/person/day, plus an allowance (usually 10%) for leakage. This can be construed as either the means to surreptitiously secure asset betterment at the developer's cost, or an acceptance that they are not effectively tackling leakage. This example alone demonstrates that the existence of private monopoly companies is not conducive to efficient and cost effective infrastructure provision, especially when it is so essential to the delivery of new homes.

Since the introduction of the Water Act 1989, WaSCs have benefited from developers paying in excess of £1.30 billion in the guise of infrastructure charges.

The rationale for these charges was supposedly to meet the infrastructure needs of a plan-led planning system. However, nearly a quarter of a century on, there is no tangible evidence of WaSCs having undertaken the appropriate investment – a point conceded in HBF's discussions with the Regulator. Indeed, the mere act of developers providing new housing allows WaSCs to grow their asset base in addition to providing WaSCs with two income streams, namely, infrastructure charges, and the means to derive income through domestic water/sewerage rates. Notwithstanding the proceeds derived from 'gifted' sewer assets, however, WaSCs continue to seek off-site sewer/mains reinforcement and/or asset improvement, paid for by developers. Their demands for such improvements are rarely supported by way of sufficient justification or transparency both from a technical and commercial perspective. And at the micro level, our experience is that they inequitably inflate the estimated cost of Section 104 sewerage infrastructure works (by up to 150%) to maximise a third revenue stream by way of inspection/supervision fees. This situation derives from the provisions of the Water Act 1945. Reform through 'better regulation' and/or more stringent regulatory control to correct such a commercial imbalance between the parties is long overdue and should therefore be a key feature of the intended White Paper.

Responsibility: There is a lack of responsibility and commitment on the part of WaSCs to provide satisfactory levels of service. In addition, there is little transparency or accountability when it comes to costs. The WaSCs also frequently seek to impose 'gold-plated' design and construction standards, rather than offer value for money through effective supervision/inspection. The current draft of the intended MBS for foul sewers provides us with a good example when it comes to the proposed specification for plastic sewer pipes. This has been allowed to evolve to the point where we have a specified product that has restricted availability and therefore significant cost implications for house builders. Much of this could probably be the result of the way their businesses are vertically integrated, but just like other parties in the development process, WaSCs need to change both their attitude and approach and be far more responsive to the needs of house builders.

Unfortunately, the business environment for WaSCs stemming from their privatisation in 1989 makes the UK house building industry the only variable in their 'regulatory business'. This in turn creates an incentive to generate income and asset betterment at the expense of new housing delivery. Moreover, it is an issue of some concern that disputes and determinations can take over a year to resolve – a commercial position often exploited by WaSCs in the knowledge that developers cannot afford to wait. This is undemocratic and unresponsive to the needs of the house building industry.

5. As we have previously stated, the house building industry is unique in the way that it interacts with the monopoly Water and Sewerage Sectors. It is classified neither as a customer or consumer. However, the UK house building industry provides new sustainable water and sewerage assets coupled with growth in revenue streams for WaSCs and by extension, the means for WaSCs to improve their balance sheets. When compared to the economic environment over the last two years, WaSC profits declared for 2010 were striking at just under £1.0 billion.

6. We note that one of the aims of the White Paper is to reduce regulation – the HBF fully supports this concept in general for all sectors of the economy. However, in relation to the water industry's interaction with new development we believe that smarter regulation is required to address the negative economic impact on residential development that arises from the current regime. In the absence of a more interventionist approach by the regulator, there is an overwhelming need for a comprehensive review of existing legislation in order to bring it in line with the concept of fairness and proportionality - WaSC levels of service should be an integral part of any such review. Moreover, there must be greater accountability when it comes to the costs associated with new development. This was an issue highlighted in the HBF's written evidence to the Gray Review of Ofwat, whilst being the subject of much discussion when the HBF was called upon to provide verbal evidence before Mr. Gray. We have included a copy of the HBF response at appendix A.

7. At appendix B we have also provided details of an important piece of work undertaken by the NHBC Foundation.

   Amongst a review of several ground-related issues, soundings from a robust sample of House-builders were taken concerning the role and attitude of WaSCs throughout England and Wales – the results are far from complimentary and provide the best evidence yet that support the need for urgent changes in the Water and Sewerage Sector [2]. In sum we believe there is a very strong case for better and more effective regulation on the WaSCs in this field. This can be justified in terms of the Government's "One in, One out" policy on regulation by the substantive reduction in the regulatory costs that would result for home builders.

8. In relation to the next part of the HBF paper we will seek to be more specific with regards to certain key areas and where HBF believes due consideration should be given by the Coalition Government for change in the existing practices, procedures and legislation.

CHANGES TO EXISTING PRACTICES AND PROCEDURES

Customer Service and Guaranteed Standards

9. The existing Customer/Consumer base has been aligned to the performance of the Companies by a number of Guaranteed Standards but as we have previously stated, present levels of service are and will continue to be a major issue for house builders. Voluntary levels of service do exist at present but they come with no penalty for failure and are frequently ignored by most if not all of the Companies.

10. In the past, the delivery of new homes has been severely affected by the WaSC's ability to perform adequately and to meet the construction programmes of most HBF members. There are no distinctions between water supply or sewerage matters here and in the former case, the HBF found it necessary to write to the incumbent Government Minister in 2007 having identified the fact that in some cases it was taking in excess of 40 weeks to provide a new home with the necessary utility service connections. Note: The industry's average construction period for a new home is some 18 weeks using masonry construction, significantly less if using timber frame.

    As a result of the work undertaken by the HBF in 2006/7 we identified that it took an average period of some 26 weeks from utility service application to final handover of a property. The HBF data, obtained from across the UK, was extremely robust and clearly identified that most Water Companies were complicit when it came to delays. Despite HBF disclosing the

[2] Ground Related Requirements for New Housing – Issues Faced by the Industry: NHBC November 2010

evidence to water companies, many remained ambivalent towards the needs of the house building industry. Out of frustration and thanks to the HBF taking the initiative in 2010, matters are beginning to improve but this does not negate the necessity for the imposition of statutory performance KPIs for WaSCs. We would point out that last year's introduction by OFGEM of Guaranteed Standards in the Electricity Sector is proving to be a great success. It has seen a change for the good in terms of the attitude, communication and transparency between Distribution Network Operators and house builders. From the HBF's perspective this is concrete evidence that Guaranteed Standards can and do work and we would wish to see an equivalent regime established for the WaSCs.

11. Although this would constitute new 'smarter regulation' there would clearly be resultant savings in the regulatory burden borne by the house building industry and its customers, with the focus being on the house building industry's need for WaSCs to be more responsive and accountable.

HBF PROPOSAL

12. The HBF is firmly of the opinion that guaranteed standards of performance need to be implemented, taking note of the existing voluntary levels of service for both water and sewerage. This will be even more important in relation to the promotion of competition - there has been much talk of the requirement for competition in the Water and Sewerage Sector. Indeed, some progress has been made with the introduction of accredited Self-lay organisations providing water infrastructure coupled with New Appointments and Variations that allow the 'self-lay' concept to be extended to new sewers. However, there is little critical mass in either of these areas largely due to the fact that WaSCs are under no compulsion to be transparent when providing information in respect of network capacity and/or their costs/charges, and in a timely manner.

Transparency of Costs and Upfront Payments

13. At times it can be difficult to understand why there is an element of mystique around the non-disclosure of costs and what they are in fact attributed to. However where Companies have a lack of market separation and are vertically integrated, this may account for the reluctance to show transparency in what costs house builders and other parties are being charged.

14. An integral part of the cost conundrum is the insistence by many WaSCs to have upfront payments in order to instigate either a design, process a quotation, or check a Section 104 technical submission. As nationalised industries there was an acceptance that such payment arrangements may have been necessary but as large, private, commercial organisations, the continuance of the pre-1989 approach is somewhat at variance with the situation that exists in 2011. This matter is further compounded when a slight lapse of time occurs from the date of

the initial application. It is not uncommon to see the whole process start again with yet another upfront payment being demanded.

HBF PROPOSAL

15. On both counts statutory guidance should be issued by OFWAT on how costs can be documented and what can or cannot be required to be paid up front. Similarly, the imposition of regulated performance KPIs, each of which carry a financial penalty in the event that WaSCs fail to respond in the required timescale. When one considers the timescale implications associated with compliance with certain statutory aspects of the Flood and Water Management Act 2010, regulated performance criteria for WaSCs will be absolutely essential if delays in the delivery of new homes are to be averted. In many respects, the enabling approach to legislation that is contained in the Flood and Water Management Act 2010 may be the appropriate vehicle to instigate the necessary change(s).

ISSUES FOR POSSIBLE AMENDMENTS IN LEGISLATION

- **Requisition Charges for Water Mains and Sewers under a 12 year Asset Duration**
- **Water Main Asset Payments for Self Lay**
- **Sewer Asset Payments for Section 104 Agreement Sewers**

16. As stated in the introduction there are a number of issues, the origins of which are rooted in legislation from as far back as 1945. Some seven decades later the three areas identified under this heading continue to present the house building industry with a number of concerns. It is more than apparent that many aspects of existing legislation cease to address the benefits arising from assets which all House-builders ‘gift’ to WaSCs. For any White Paper to present a fair and balanced approach it is essential that this anomaly be addressed as an integral part of the intended review and indeed, any subsequent change in legislation.

17. From the house building industry’s perspective, convention in other areas usually sees an asset being transferred at a cost to the recipient – i.e. by way of accepted commercial contractual arrangements. In the Water and Sewerage Sector, where monopoly privileges biased towards the commercial interests of WaSCs are allowed to prevail, this is not the case. Sewerage infrastructure assets in particular are “gifted” to WaSCs at a substantial cost to the house builder. Moreover, the quantum of charges for water mains and sewers varies considerably and is dependent on where connections are made to the existing network. Matters are further compounded by WaSCs spurious interpretations of what network reinforcement they feel is necessary, often without presenting a credible and robust justification for their demands. This is an issue we will discuss in more detail in the section covering infrastructure charges.

HBF PROPOSAL

18. Advancing concrete proposals in these areas is a little difficult because (as unfair as the present situation may be), it is intrinsically linked with how OFWAT applies the macro economics associated with the 'five year' Price Determination. For fairness and equity to prevail, together with an appropriate share of commercial risk, who the net beneficiary of these water and sewer assets actually is needs to be determined before any decisions concerning apportionment and/or cost allocation can be made. That said when combined with other WaSC demands, be they cost or design and construction standards, there is a compelling case for a full and thorough examination of what can be grouped under the heading of "Developers Contributions".

WATER AND SEWERAGE INFRASTRUCTURE CHARGES – SECTION 146 OF THE WATER INDUSTRY ACT 1991

19. As previously stated, since the onset of the Water Act 1989, house builders have contributed in excess of £1.3 billion to WaSCs in the guise of water and sewerage infrastructure charges, the rationale for such having been set out earlier in this submission. The lack of a valid and robust basis for these charges is without doubt a major concern for the house building industry. Moreover, the HBF is firmly of the opinion that it is an aspect of the Water and Sewerage Sector that warrants urgent and serious review, perhaps accompanied by smarter and more proportionate legislation.

20. Looking a little further forward, as subsequent iterations of the Flood and Water Management Act 2010 begin to crystallise, it will create two separate entities each having statutory control over an element of public, drainage infrastructure. From April 2012, the SuDS Approval Body (SAB) will likely assume responsibility for most if not all surface water management and yet, house builders will still be required to pay infrastructure charges to WaSCs for future infrastructure provision over which they (the WaSCs) will have little or no controlling interest or statutory authority. Such examples only serve to reinforce the HBF view that a comprehensive review of such inequitable arrangements is long overdue.

21. Since the privatisation of WaSCs in 1989 and the parallel introduction of infrastructure charges there is little evidence of the necessary investments having been made by WaSC's to meet the needs of new development. It is hardly surprising therefore that infrastructure charges are viewed as an inequitable tax on the provision of new homes. In many respects, WaSC's have seen the infrastructure charge as a way to obtain added value, whilst also seeking to replicate this charge in the requisition process. It can be shown, quite conclusively and by many HBF members[3] that network improvements not related to the

[3] Data held by HBF London

increased water or sewage demand from the new development have been funded by infrastructure charges – which constitutes a fundamental breach of the directions first handed down by the Regulator in its letter dated 7th July 1989.

The thrust of this direction, albeit slightly amended by further directions in the mid 1990's, still stands today. Given that it is of fundamental importance to the issues advanced in this response a copy has been included as appendix C.

22. Doubt can be cast on whether these charges have been correctly utilised by some Companies, given that over 75% of new developments are actually built on land that has had a previous use. Moreover, many such sites have also been denied infrastructure credits despite unequivocal evidence of previous water supply and un-attenuated drainage discharge to public sewers. The Regulator has been quite clear on this issue and confirmed to all WaSCs that in many instances these credits are a legal entitlement – see appendix C. However, such is the monopoly power exercised by WaSCs that some continue to ignore the Regulator's directions. Conversely, others have recognised their statutory obligation and have refunded spectacular sums of money to House-builders(3). This brings to the fore the question of consistency in all of this.

23. In many respects, there is no better example of how WaSC's approach matters than that highlighted by the HBF in its written evidence to the 'Gray Review'. In this context, the Supreme Court decision handed down on the 9th December 2009, and referred to earlier in this submission, is particularly noteworthy. The decision followed several earlier attempts by Welsh Water to have the principles it reaffirmed reversed. Paragraph 47 in particular encapsulates the attitude that exists in most WaSCs and it provides a damning indictment of both their approach and underlying attitudes.

24. What is most disturbing from a house builder's perspective is that many of the Companies do seem to be oblivious to the fact that when a site has been redeveloped the allocation of the respective infrastructure charge needs to be assessed. Quite simply there is a need to evaluate the net burden, if any, that will be imposed on the existing water and sewerage network. Many WaSCs do not undertake such an evaluation, preferring instead to hide behind a far from clear Licence Condition or blatantly ignore Ofwat's Regulatory Guidance on the basis that such guidance is voluntary and has no legal standing – the HBF disagrees with such interpretations.

HBF PROPOSAL

25. In going forward we see that infrastructure charges should be removed from the legislation whilst time is taken to conduct a comprehensive review of "Developer Contributions" as a whole.

DETERMINATION OF COSTS ASSOCIATED WITH EXISTING WATER MAIN AND SEWER DIVERSIONS WITH THE INTRODUCTION OF DEFERMENT OF RENEWAL ALLOWANCES WHEN OLD INFRASTRUCTURE IS REPLACED WITH NEW INFRASTRUCTURE

26. In the seminal Flood and Water Management Bill, Section 249 was included supposedly to give Ofwat the ability to determine issues in relation to diversions. Although it was subsequently removed from the eventual Act we consider that it should be re-introduced in the White Paper given that the present arrangements are far from being either fair or equitable.

27. In response to the consultation covering the Flood and Water Management Bill the HBF proposed that the legislation be expanded to incorporate cost considerations, in particular where old/existing infrastructure was being replaced with new infrastructure totally funded by the house builder. In relation to the diversion of water mains, an appropriate provision exists in other legislation dealing with highways, for example, under the term of "Deferment of Renewal" (as contained in the New Roads and Street Works Act). The principle is simple to apply in that consideration should be given to the discounting of the cost of any diversion due to the age of the relevant infrastructure that is being diverted. This concept should be applied to both water mains and sewer assets pursuant to new housing development.

28. This is another issue where existing legislation has not kept pace with current commercial arrangements.

HBF PROPOSAL

29. The HBF is firmly of the opinion that Section 185 of the Water Industry Act 1991 needs to be redrafted to incorporate the concept of Deferment of Renewal and as with the original proposals contained in the Flood and Water Management Bill.
In addition, the power for Ofwat to determine costs should also be re-introduced into the White Paper.

DEVELOPERS' RESPONSIBILITIES AND FINANCIAL CONTRIBUTIONS TO FLOOD DEFENCES

30. The HBF are aware of the ongoing work within DEFRA concerning this matter. Moreover, the HBF paid particular attention to the "Conclusions and Recommendations" of the EFRA Committee Report issued in December 2010. The complexities surrounding funding in this area are such that DEFRA will need to give matters very careful consideration. Above all disproportionate costs should not be imposed on house builders as part of the development process as a means to alleviate any shortfall in central Government or other funding. Such a

policy could have only one outcome, namely, making sites unviable. Moreover, the Coalition Government's overarching objective must be allowed to prevail, namely, a reduction in the regulatory burden and therefore the cost to industry.

31. As with all aspects of building new homes the house builder has to consider the whole and not just the part, in others words, having to deal with many competing interests, be they contaminated land remediation, compliance with the Code for Sustainable Homes etc. To continue to impose on house builders a plethora of Government aspirations, some of which are completely lacking in synergy, can only take us closer to negative land values and the stalled delivery of new homes. This runs counter to the Coalition Government's objectives in terms of new housing delivery. Moreover, the HBF have already presented a robust commentary to HM Treasury on the fragile environment that underpins project viability – the continued presence of unfair and inequitable demands by WaSCs takes us closer to many housing projects being sub-economic.

HBF PROPOSAL

32. Both Defra and DCLG need to fully engage with the HBF in relation to any proposed legislation that might consider house builders having to fund flood defences. Importantly, due cognisance will need to be taken of other competing Government objectives, for example, Zero Carbon Homes by 2016 and what order of priority may be assigned to a number of competing aspirations.

    It is therefore encumbent upon Defra to have a clear understanding of the Coalition Government's wider objectives and the priority attached to them.

WATER COMPANIES AND SEWERAGE UNDERTAKES ROLE AS STATUTORY CONSULTEES IN THE PLANNING SYSTEM

33. We are aware that there is an increasing amount of pressure being applied on the Coalition Government to make WaSCs a statutory consultee in the planning process. The EFRA Committee Report referred to earlier was particularly vocal in this respect.

34. The HBF's position on this matter is one which has been born out of the experiences of our members. Our experience is that many WaSCs seek to use the planning system to ransom developers and thereby promote and/or protect their own commercial interests. As private, commercial monopoly businesses the involvement of WaSCs in the planning process should be one that is purely focused on long-term strategic allocations of land use through their input into local planning strategies and local flood risk management planning – a direction to this effect was actually issued by the Regulator as far back as 1989. Moreover, when we reflect on the position in 2011, the lack of adequate infrastructure availability is testimony to just how

much notice WaSCs actually took of the Regulator's directions. However, the approach advocated nearly a quarter of a century ago still has its merits given that it will afford WaSCs the opportunity to make the calculated decisions on what infrastructure provision is required in order to comply with their wider statutory duties in terms of water supply and sewerage infrastructure provision. That said they should not be allowed to influence decisions on land that is already allocated for development. Neither should they be allowed to use the planning process to leverage inequitable demands for network reinforcement as this distils down to developers paying twice for the same thing, i.e. through the payment of infrastructure charges and secondly through capital contributions towards network reinforcement by way of planning conditions that could, in any event be considered ultra vires.

35. From the HBF's perspective, if WaSCs were allowed to become a statutory consultee in the detailed aspects of the planning system, we would see this as setting a very dangerous precedent for other 'private' commercial interests to lobby Government to be granted similar privileges. To date, the planning system has not allowed any private, commercial organisation to be a statutory consultee and the status quo must be allowed to prevail. This matter is of primary concern for the HBF and indeed anyone submitting a planning application. Indeed, a Land Tribunal decision issued on the 23rd November 2010[4] and which specifically interrogated the status of WaSCs confirmed, unequivocally, that may be appointed by statute and licensed under statute but they are not created by statute. The reality is that they are private companies incorporated under the Companies Acts and established in the normal way with a Memorandum of Association and Articles of Association. Thus they are fundamentally private companies.

HBF PROPOSAL

36. The HBF sees some value in exploring the need for planning guidance/advice to Local Authorities with regard to WaSC duties under the current legislation, together with how Ofwat could become a more effective means of resolving any dispute that may arise. Such an approach was actually intimated in the Supreme Court decision referred to earlier - see appendix C. That said it will be essential for all those responsible for serving the needs of house builders, including the Regulator, to have their levels of performance underpinned by appropriate and more responsive KPIs.

4 Journal of Planning Environmental Law Issue 4 (2011) – Lands Tribunal Decision Smartsource Drainage v Information Commissioner and a Group of 19 Water Companies

THE WAY FORWARD

37. We accept that this paper offers up a number of far reaching changes, including perhaps the introduction of smarter legislation coupled with the introduction of guaranteed performance standards for WaSCs (and other key partners) to comply with. Moreover, the HBF is very much of the opinion that we have reached a stage in the evolution of water supply and sewerage infrastructure provision that it merits a much closer examination in terms of the scope of 'Developers Contributions'. The present situation is far from fair and/or equitable.

    More importantly, with the progressive and quite profound changes that will flow from the Flood and Water Management Act 2010, the time is right to undertake a comprehensive review of not just the commercial aspects but also the role of WaSCs as a partner in the development process. It remains the HBF view that radical reform is long overdue and that far from extending the monopoly privileges of WaSCs, they should be encouraged to share the commercial risks whilst being open and transparent in how they conduct their business. In bringing this submission to a close, a further example supports the HBF position. Whilst preparing this paper, two WaSCs effectively undermined the commercial viability of two housing projects by their excessive demands. In the first instance the WaSC issued a tacit refusal to allow any connection to the public sewerage network. In the second example, a significant payment for off-site mains reinforcement was demanded. In the latter case the developer rightly challenged the Water Company's demands and subsequently saw the payment demanded reduced to negligible proportions, and without any explanation. This is reality for many UK house builders and it is not conducive to efficient and effective new housing provision.

38. In light of this we would welcome early and future on-going engagement with DEFRA and possibly Ofwat, to further explain and explore what we see are practical, logical and tangible issues which should be included in the Water White Paper. A failure to approach matters from a balanced perspective runs the real risk of our not meeting the Government's housing objectives. Moreover, the Flood and Water Management Act introduces a profound change in both the legislation and the means of delivering sewerage/drainage infrastructure. The present commercial demands of WaSCs are out of 'sync' with this profound change in legislation and this must be addressed as a matter of urgency and as an integral part of the intended Water White Paper. Furthermore, there are compelling arguments for a single Government department to take the lead role in overseeing the introduction of drainage related legislation and accompanying statutory guidance. A failure to do this will see an extension of the present fragmented approach which in turn can only have two possible outcomes, namely, increased costs and a series of unintended and potentially costly consequences.

39. Finally, if the aspirations of the Cave Review on competition are to succeed then the White Paper should duly reflect upon the ‘Reviews’ recommendations and use this opportunity to set down once and for all fair and equitable arrangements.

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On behalf HBF London

APPENDIX A

HBF Response to Defra's review of Ofwat
A Call for Evidence
29th October 2009

APPENDIX B

NHBC Foundation Report
(Pre-publication Draft)
Ground Related Requirements for New Housing
Issues Faced by the Industry

APPENDIX C

Department of the Environment Letter – 7th July 1989
Instrument of Appointment – Connection Charges

APPENDIX D

Supreme Court Decision – 9th December 2009
Barratt Homes v Welsh Water