

Re: Water and Wastewater Sustainability Schemes

Since 1st April 2018 United Utilities Water (“**U UW**”) has invited developers to apply for their development(s) to participate in U UW’s water sustainable developments scheme (“**Water Scheme**”) and/or wastewater sustainable developments scheme (“**Wastewater Scheme**”) (together the “**Schemes**”). The Schemes are respectively intended to incentivise a developer to utilise water efficient fixtures and fittings within the new home(s) that they build within a participating development and to build properties with no surface water connection to the existing public sewer, in turn a developer will benefit from the water and/or wastewater (as applicable) infrastructure charge for sustainable developments for those participating developments that meet the relevant Scheme’s requirements.

The Schemes are optional schemes which we, U UW, choose to offer and there is no obligation on developers to try and achieve the relevant standards or to participate in either of the Schemes. If, however, a developer wishes for a development to participate in either of the Schemes and believes that they can meet the relevant Scheme’s requirements e.g. for the Water Scheme they can reach the lower consumption threshold in line with the criteria that we have published (the WRc calculator), then we will, subject to review of the information confirming eligibility, accept the development onto the relevant Scheme(s).

Once a development has been accepted onto a Scheme U UW will audit the development including any properties within the development once the water efficient fixtures and fittings have been installed (if applicable to the relevant Scheme) and the water connection has been made. The audits will be made on such notice as U UW shall decide at its complete discretion (including immediate or no notice) and will not be limited in number.

Failure to provide U UW with reasonable access to audit a development or any part thereof will result in the development failing the relevant audit by default and the relevant consequences of a failed audit as detailed below will apply.

Water Scheme

For the Water Scheme audits will consist of but not be limited to:

- (a) Where flow restrictors have been installed at a development (or any property within the development) a weir jug will be used by U UW to confirm that the flow on the water fitting has been restricted and if the weir jug shows a flow rate above the flow rate declared on the water efficiency calculator original submission (as validly updated from time to time) the development will fail the audit.
- (b) A meter read will be taken by U UW before and after flushing toilets to determine the volume of water per flush. If the meter readings taken confirm the volume used for any toilet is greater than the volume declared on the water efficiency calculator original submission (as validly updated from time to time) the development will fail the audit.
- (c) Where the default value has been used in the water efficiency calculator original submission (as validly updated from time to time) for washing machines and / or dishwashers, no appliance should be installed at the development. If an appliance is found to be installed during an audit then U UW will aim to source the specification sheet for the appliance to confirm water usage, if U UW are unable to find the product specification sheet(s) then the developer will be required to provide specification sheet(s) within 7 days of U UW’s request after which the development will fail the audit. If the specification sheet(s) obtained by U UW or provided by the developer shows that the consumption of the appliance is higher than the default values then the development will fail the audit.
- (d) Where the original submission provides for washing machines and/or dishwashers to be installed at a development (or any relevant property within a development) the model reference numbers will be checked against the specification sheets for the developer’s original submission. Where an audit determines that any of the washing machines and or dishwashers installed do not match the original submission (as validly updated from time to time) the development will fail the audit.

Where a development (or any part thereof), after audit, has been found to fail and that failure is the first audit failure within the last 12 months across all of a developer’s developments that are participating in the Water Scheme, U UW

will contact the developer to inform them: (1) of the failed audit; and (2) that any subsequent audit failures for any of the developer's developments participating in the Water Scheme (and not just the development that is subject to the initial audit failure) which occur within 12 months of the first failed audit will result in the developer and all members of its group of companies from time to time (regardless of the trading name it uses) being suspended from applying for any future developments not yet accepted onto the Water Scheme to participate in the Water Scheme for a period of 12 months from the date of the second failed audit. UUW will continue to audit the developer's participating developments that have already been accepted onto the Water Scheme and any future audit failures occurring during the suspension period will mean that the 12 month suspension period will be extended and so will be applicable from the date of the most recent audit failure.

In the event that any of the water fittings and appliances installed at a development change or differ at any time from those detailed in the developer's original submission made through the WRc Water Calculator, the developer must notify UUW of the changes promptly (and in any event within 28 days of such change(s) taking effect) and at the same time provide an updated specification sheet for the revised water fittings and appliances. If these revised fittings and appliances do not meet the required threshold to comply with the Water Scheme of 100lpppd (or the developer fails to provide the relevant updated specification sheets within 7 days of UUW requesting it to do so) this will be treated as the development having failed an audit and the process relating to failed audits as set out in this letter will apply.

In addition to the above, in the event that there are 4 (or more) audit failures within any consecutive 12 month period across all of a developer's developments that are participating in the Water Scheme then the development(s) that results in the 4th (and any subsequent) audit failure will be automatically and immediately removed from the Water Scheme and full water infrastructure charges will be payable for all properties with that development (whether fully or partially built) which are at that time owned by or on behalf of the developer (or any member of its group of companies) or are to be built in the future (each a "**Property**"). In the event that full water infrastructure charges become payable in respect of a development the developer must pay to UUW amount equal to the difference between the reduced water infrastructure charges applied to that development (including all Properties, if applicable) as a result of its participation in the Water Scheme and the full water infrastructure charges which would otherwise have been applied to that development (including all Properties, if applicable) at the rate published by UUW in its charges scheme from time to time prevailing at the date on which the development or relevant Property is first connected to the water main.

Wastewater Scheme

If a development has been accepted onto the Wastewater Scheme and it is determined at any time by UUW that the development's (or any part thereof) surface water is connected (directly or indirectly) to UUW's wastewater network then that development will be automatically and immediately removed from the Wastewater Scheme and full wastewater infrastructure charges will become payable in respect of the whole development including all properties within the development whether those properties are fully or partially built or are to be built in the future and regardless as to whether they are owned by the developer or a third party. In the event that full wastewater infrastructure charges become payable in respect of a development (and any properties within it) the developer must pay to UUW an amount equal to the difference between the reduced wastewater infrastructure charges applied to the development (including all properties within it, if applicable) as a result of its participation in the Wastewater Scheme and the full wastewater infrastructure charges which would otherwise have been applied to the development (including all properties within it, if applicable) at the rate published by UUW in its charges scheme from time to time prevailing at the date on which the development or relevant property is first connected to the water main.

General

Unfortunately to date UUW has found a large number of audits failing on developments that are participating in the Schemes and therefore believes the above action is required to ensure the properties within participating developments are built to the specification declared on the WRc Water Calculator submitted (where relevant) and the Schemes' other requirements.

To ensure developers remain compliant with the Schemes we would encourage developers to ensure the fittings and fixtures declared on the WRc Water Calculator are installed in the properties of all developments participating in the Water Scheme. Any changes to the original submission should also be notified to UUW immediately to ensure compliance with the Schemes. Failure to do so risks a development failing (or being deemed to have failed) an audit and the above audit failure processes applying.

UUW would like to continue the Schemes and work with developers to build more sustainable homes therefore please ensure, where relevant, the fixtures and fittings declared on the WRc Water Calculator are installed in the properties that are built within developments participating in the Water Scheme and that the Schemes' other requirements are met.