

Dyno Group

on

Transfer of Private Sewers

Who are Dyno Group?

- ❑ **A leading national provider of drainage and plumbing services**
 - ❑ Unblockers
 - ❑ Preventative maintenance
 - ❑ CCTV work
 - ❑ Relining and repairs - excavation
 - ❑ No-dig technology

- ❑ **Network of Franchised Plumbing & Drains Operations**
 - ❑ 76 Drainage “Dyno Rod” Franchisees
 - ❑ 30 Plumbing “Dyno Plumbing” Franchisees
 - ❑ 42 Dyno Locks and Secure Franchisees

- ❑ **24/7; 4 hour emergency response**

- ❑ **6,500 drainage jobs per week; c.500,000 P&D jobs per annum**

- ❑ **Industry leading customer satisfaction**

What we Have Today

- ❑ Existing mileage and condition of the UK private sewer network unknown
- ❑ We estimate the existing independent drainage sector to be operating in excess of 8,000 privately owned van units
- ❑ Annual market for drainage clearance and repair approx. £540m
- ❑ Average spend per household per annum on drainage services across the entire private sewer and lateral network approx. £21
 - ❑ Estimate average household has 1 call out every 11 years
 - ❑ Insurance and Protocol options available to protect against major issues
- ❑ Competition currently ensures transparency of
 - ❑ Cost / value for money
 - ❑ Service levels / response and quality

The need for Change?

- The UK waste water networks have suffered a lack of investment**
 - Investment to date biased towards fresh water assets
 - Consistency of care and maintenance is needed

 - Domestic households are not placed to commit to and coordinate long-term / proactive investment in the networks**
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- Increased instances of flooding have highlighted the current state of our waste and surface water drainage networks?**

- Lack of clarity regarding private responsibility for shared sewers and laterals outside the property boundary?**

- Full mail bags to MPs?**

What is the proposed transfer actually doing?

- ❑ **Private sewers and laterals to WaSCs ownership and responsibility**
- ❑ **Unknown extent of networks scheduled for transfer**
 - ❑ Estimates at 200,000+ km private sewers for transfer (40%-50% of network)
- ❑ **Cross-subsidy of maintenance and repair costs across all UK households**
 - ❑ Households will still pay for it – with or without a drainage issue
- ❑ **Latest estimates at £11 - £14 per annum to average water bill**
 - ❑ c.7% increase in sewerage element of average household water bill
 - ❑ Huge cost uncertainty
 - ❑ Does this include further work for proactive upgrades?
- ❑ **Clarification of household and responsibility?**
 - ❑ Consumer will need to determine who to call within the property boundary
 - ❑ Lack of demarcation chambers

Risks / Uncertainty

- ❑ **Huge cost uncertainty for consumer and other stakeholders**
 - ❑ Poor records of location and condition of UK networks

- ❑ **Increase cost pressure from overdue upgrade programme and regulated return for WaSC**

- ❑ **Slower response or hidden costs for emergency response?**
 - ❑ Potential environmental and health concerns from slow response

- ❑ **Challenge to small businesses across the independent drainage sector**
 - ❑ Potential loss of 50% small business market overnight (stranded assets)
 - ❑ Decline in private investment from small businesses in the sector
 - ❑ Potential decline in capacity

What will success look like?

- ❑ **Total transparency of increased cost to the consumer via the water bill**
 - ❑ Consumers will no longer be able to choose supplier
 - ❑ Target average cost of £8 - £10 per annum to the consumer (assuming 40% - 50% network transferred)

- ❑ **Cost mitigation**
 - ❑ Phasing the introduction of new costs where possible
 - ❑ Increment costs from private sewer transfer needs to be considered in context of full range of water infrastructure investment

- ❑ **Confidence that current service levels will be maintained (without premiums)**

- ❑ **Clear communications of household responsibility and WaSC obligations**

- ❑ **Competition amongst service providers / drainage contractors is maintained**
 - ❑ Including substantial structural changes in the private service networks

What will it take?

- ❑ **Transfer of private sewers is a long-term solution!**

- ❑ **Consider phasing of transfer to mitigate costs**
 - ❑ By asset type – lateral represent 19% - 40% potential costs?
 - ❑ Begin with New Build to understand mechanism and impact
 - ❑ Consider legislation to make available existing mapping to public WaSCs to mitigate cost implications

- ❑ **Consolidation of independent drainage contractors**
 - ❑ Up to 50% current private sewers to be accessed through 10 WaSCs

- ❑ **Complete CLARITY over transfer process and TIME to prepare**
 - ❑ Confidence for small businesses re WaSC tender processes
 - ❑ Independent sector will need to makes decisions re investment pay-offs

- ❑ **Improved collaboration on industry standards**