

Risk & Compliance Statement July 2024



Leep Networks (Water)
Ltd



leep utilities™

1. General

Leep Networks (Water) Ltd (LNWL) is a licensed water and waste company that gains NAV appointments under sections 6-8 of the Water Industry Act 1991 (as amended by the Water Act 2003). To date LNWL has been granted 122 inset appointments on new developments which is an increase of 31 appointments during the last 12 months.

As part of the Annual Performance Return and in line with Ofwat's risk-based approach to regulation, LNWL has developed this Risk and Compliance Statement to satisfy the relevant reporting requirements and will be subject to review at least annually.

Due to the nature of the LNWL's business of growth through NAV appointments of new developments, future growth and associated expenditure are forecasted as part of business planning to ensure adequate resources are available to support both the existing business and future growth.

2. Principal Activities

The principal activity of Leep Networks (Water) Ltd, formerly SSE Water Ltd, (the 'Company') is the provision of water and sewerage services including the installation and operation of water network infrastructure within defined geographical areas.

The Company is experienced in overseeing the design and installation of networks, and in operating water and sewerage infrastructures. The Company operates in conjunction with Leep Utilities to provide a comprehensive multi-utility solution to customers in the property development and house building sectors.

3. Controls

The Company has in place a series of appropriate business systems, reporting lines and a management team with the experience and knowledge necessary to successfully mitigate and control the various challenges facing the business and to further enhance the Company's effectiveness in the market. These control measures, coupled with a forward-looking and customer centric business plan, provide the Company with a solid platform for future growth.

Commercial

- The Company has a dedicated and experienced sales and marketing team, capable of delivering a true multi-utility service;
- The Company encourages and supports the development of the market and actively engages with the Regulator and other commercial interests;
- The Company has internal and external functions dedicated to examining and understanding the cost drivers of the business.

Operational

- The Company ensures that its networks are installed to industry standards and employs experienced Operational Managers for both water and sewerage to monitor and inspect installations;
- The Company actively monitors consumption, using individual meter readings to identify possible leakage on customer pipework;
- Long-run costs, such as meter replacement and network maintenance, are an inherent part of the assessments of potential sites, ensuring that adequate provision is made from a resource perspective for future maintenance;

- Drinking Water Safety Plans are developed and maintained for each new appointment, in line with the Water Supply (Water Quality) Regulations 2016. These safety plans are supported by ongoing regulatory monitoring using UKAS accredited sampling and analysis providers;
- The Company maintains dialogue with its bulk suppliers and has in place direct contracts for alerts to events or incidents, which it considers may have an impact on its supply areas. The Company also has in place an arrangement with Water Direct to provide support in the event the Company is required to provide alternative supplies in line with the Security and Emergency Measures Directive.

General


- The Company has developed and embedded a clear framework for risk management allowing for the identification of risks to LNWL. A central risk register documents any identified risks and agreed control measures to mitigate any potential risks, and this is subject to continuous review.
- The Company has developed a Water Resources Management Plan under the Water Industry Act 1991 (as amended), section 37A. The Plan, published every five years and reviewed annually, sets out how the Company ensures it has adequate resources to supply each of its appointments for the subsequent 25 years;
- The Company has developed a Drought Plan, setting out its range of response to events that may lead to a requirement for restrictions on non-essential use through to more significant Drought Orders. The Plan sets out how the Company will communicate with its customers and with the bulk supplier and is subject to annual review;
- The Company actively engages with the Regulator and contributes to initiatives, ensuring that it is aware of, and can influence, proposals that may have an impact on its activities;
- The Company complies with all relevant data protection legislation and has a dedicated customer billing system with access restricted to customer services staff.

4. Statement

The Directors confirm that:

- LN(W)L considers that it has a full understanding of, and is meeting, all its relevant statutory licence and regulatory obligations and has taken steps to understand and meet customer expectations;
- Has satisfied itself that it has sufficient processes and internal systems of control to fully meet its obligations; and
- Has appropriate systems and processes in place to allow it to identify, manage, mitigate, and review its risks.

Signatory:

A handwritten signature in dark ink, appearing to read "V. Manfredi".

Date: 11/07/2024

Victoria Louise Manfredi

Chief Executive Officer