
Reissuing of Variation Notice varying the appointments of SSE Water, Thames Water and Northumbrian Water

On 20 December 2016, we reissued a Variation Notice that varied the appointments of SSE Water, Thames Water and Northumbrian Water in relation to a site in London called Barking Riverside 2+.

This notice gives our reasons for reissuing the Variation Notice.

Ofwat varied the appointments of SSE Water as a water and sewerage undertaker on 15 June 2015 to include a site referred to in the application as “Barking Riverside 2+”, in Northumbrian Water's water supply area and Thames Water's sewerage services area.

At the time, our understanding was that the application submitted by SSE Water related to an area that would comprise 661 household properties. We did not realise that the map attached to SSE Water's application was for a larger area than the area required to enable it to serve the 661 household properties.

As a result of this, our internal analysis of the application and our statutory consultation were both carried out on the basis that the application was for the area covering only 661 properties. However, when we granted the variation, the map attached to the variation was a map for a much larger part of the development site which could in the future accommodate up to 10,800 residential properties, as well as business premises.

As it was not Ofwat's intention to grant SSE Water a variation in respect of the larger site, Ofwat consulted with the affected parties and then decided that it should take steps to correct the error made. We did this for the following reasons:

- Public bodies have the power to correct their own decisions if an administrative error or a factual mistake is made;
- As the public consultation of the variation only referred to the smaller site consisting of 661 residential properties, third parties did not have the opportunity to consider any potential, wider variation of SSE Water's area of appointment; and
- Ofwat's practice is not to grant speculative applications for sites. We require that applicants submit detailed business plans to us so that we can assess an application against our two main principles, namely that customers will not be

worse off and that the site will be financially viable. We are unable to carry out either of these assessments where the development plans for a site are insufficiently advanced for the applicant to be able to submit basic information to us about the properties that will be served on the site. It was therefore inappropriate for the variation to be based on the wider site, without sufficient relevant information relating to the wider site.

We corrected this error by reissuing the 2015 variation with the correct maps attached. The reissued Variation Notice was signed on 20 December 2016. The effect of this will be that the balance of the site will again fall within the water supply area of Northumbrian Water and the sewerage services area of Thames Water.