

June 2022

Variation of Icosa Water Services Limited's appointment to include Friary 1b (Extension to Friary Park 1a)

Variation of Icosa Water Services Limited's appointment to include Friary 1b (Extension to Friary Park 1a)

On 11 April 2022, Ofwat began a [consultation](#) on a proposal to vary Icosa Water Services Limited's ("**Icosa Water**") appointment to become the water and sewerage services provider for a development in Thames Water Utilities Limited's ("**Thames Water**") water supply and sewerage services area called Friary 1b (Extension to Friary Park 1a) in Ealing ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 12 May 2022. During the consultation period, we received representations from three organisations, which are summarised in Section 1 of this document.

We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the Site will be no worse off than if the Site had been served by the existing appointee; and if the applicant will be able to finance the proper carrying out of its functions as a water and/or sewerage company. As set out in our consultation we are satisfied this is the case. The responses we have received to the consultation have not changed that view.

Having assessed Icosa Water's application and having taken account of the responses we received to our consultation, we decided to grant a variation to Icosa Water's area of appointment to allow it to serve the Site for water and sewerage services. This variation became effective on 23 June 2022.

The Site maps for the variation can be found in Section 2 of this document.

The variation notice legally making the variation can be found in Section 3 of this document.

1. Responses received to the consultation

We received responses to our consultation from three organisations: the Consumer Council for Water (“**CCW**”), Drinking Water Inspectorate (“**DWI**”) and Environment Agency. We considered these responses before making the decision to vary Icosa Water's appointment.

The DWI and the Environment Agency had no comments to make with regard to this consultation and did not have any objections. The points raised in the response from CCW are set out below.

CCW response

CCW states that in general it expects applicants for a new appointment and/or variation (“**NAV**”) to exceed or at least match the incumbent's prices, service levels and service guarantees. This is particularly true for developments that include domestic housing, as household customers cannot choose or switch supplier.

CCW is disappointed that there is no direct financial benefit to customers from having Icosa Water as their provider of water and sewerage services, as Icosa Water intends to match Thames Water's charges. However, CCW considers that Icosa Water's service levels generally match or exceed Thames Water's, so overall CCW supports the application. For example, Icosa Water will offer greater compensation for service failure.

CCW notes that Icosa Water will not be able to offer a social tariff to financially vulnerable customers in the way Thames Water does, but will offer the standard WaterSure tariff for qualifying customers. CCW states that given the relatively small size of its customer base, it is appropriate for Icosa Water to tailor some of the services that it provides. CCW sets out its expectation that Icosa Water would offer appropriate, flexible support to any customer in financial difficulty who would otherwise have benefitted from a social tariff and that this should not be at the expense of its other customers. CCW notes that by matching the incumbent's charges Icosa Water already benefits from the cross-subsidy the incumbent's customers pay to support its Social Tariff.

CCW notes our conclusion that, as a result of the variation, Thames Water's existing customers would see an increase of £0.01 in their annual water bills and no increase in their annual sewerage bill. CCW recognises this increase is negligible but questions the value of the NAV regime if it cannot deliver benefits to all customers. It notes that it is unclear if there are any significant benefits from the arrangement for the existing customers of Thames Water.

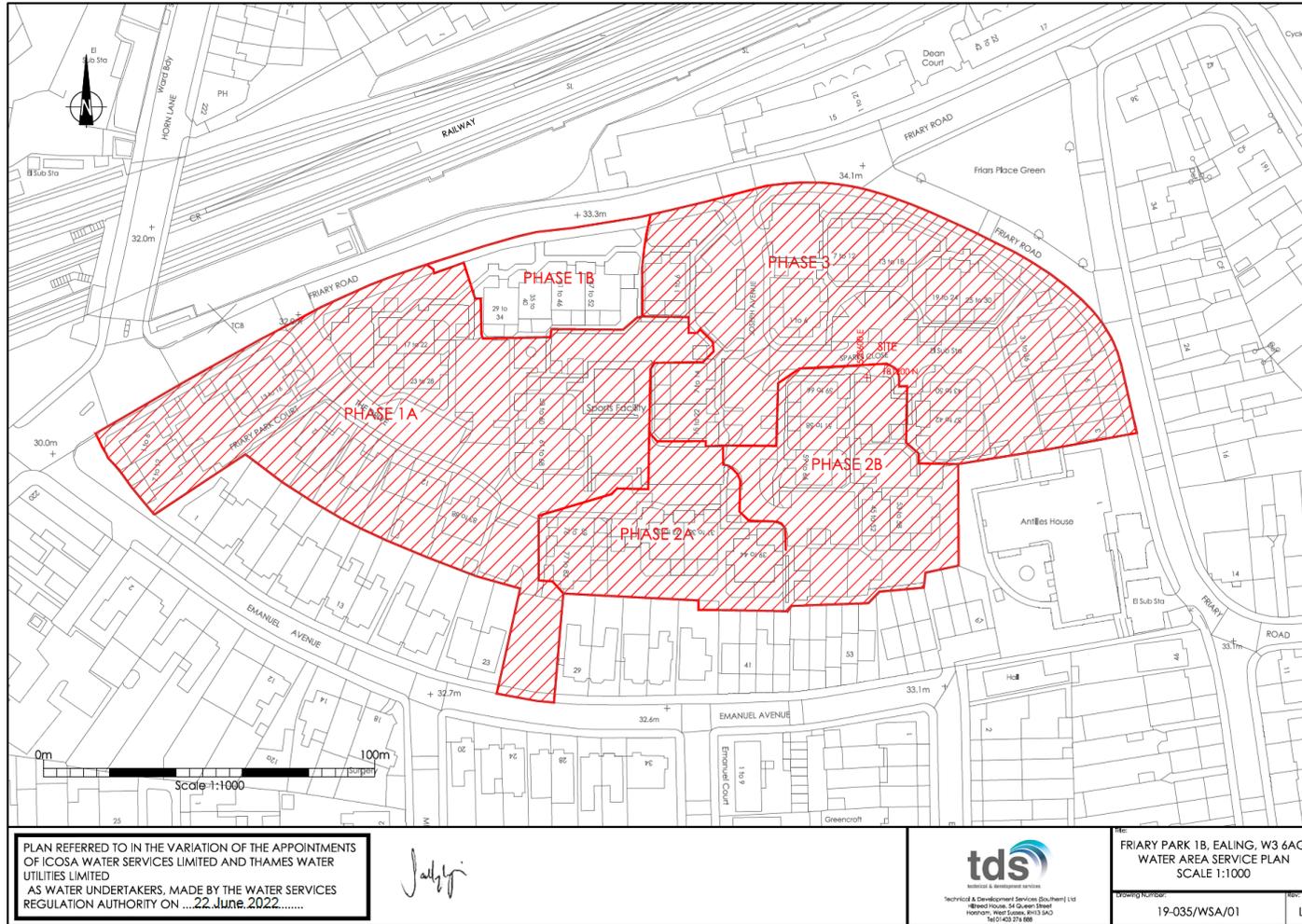
Our response

One of our key policies when considering NAV applications is that customers should be no worse off if a NAV is granted. That is, an applicant must ensure its new customers are made no worse off in terms of charges and service than if they had been supplied by the previous appointee. We do not require applicants to better the service and price of previous incumbents.

Vulnerable customers may not be aware of the social tariff that would be available to them if they were served by the incumbent rather than by the applicant. It is the responsibility of the applicant to identify and protect vulnerable customers on the Site. Although the applicant does not offer a social tariff, it should ensure customers will be no worse off.

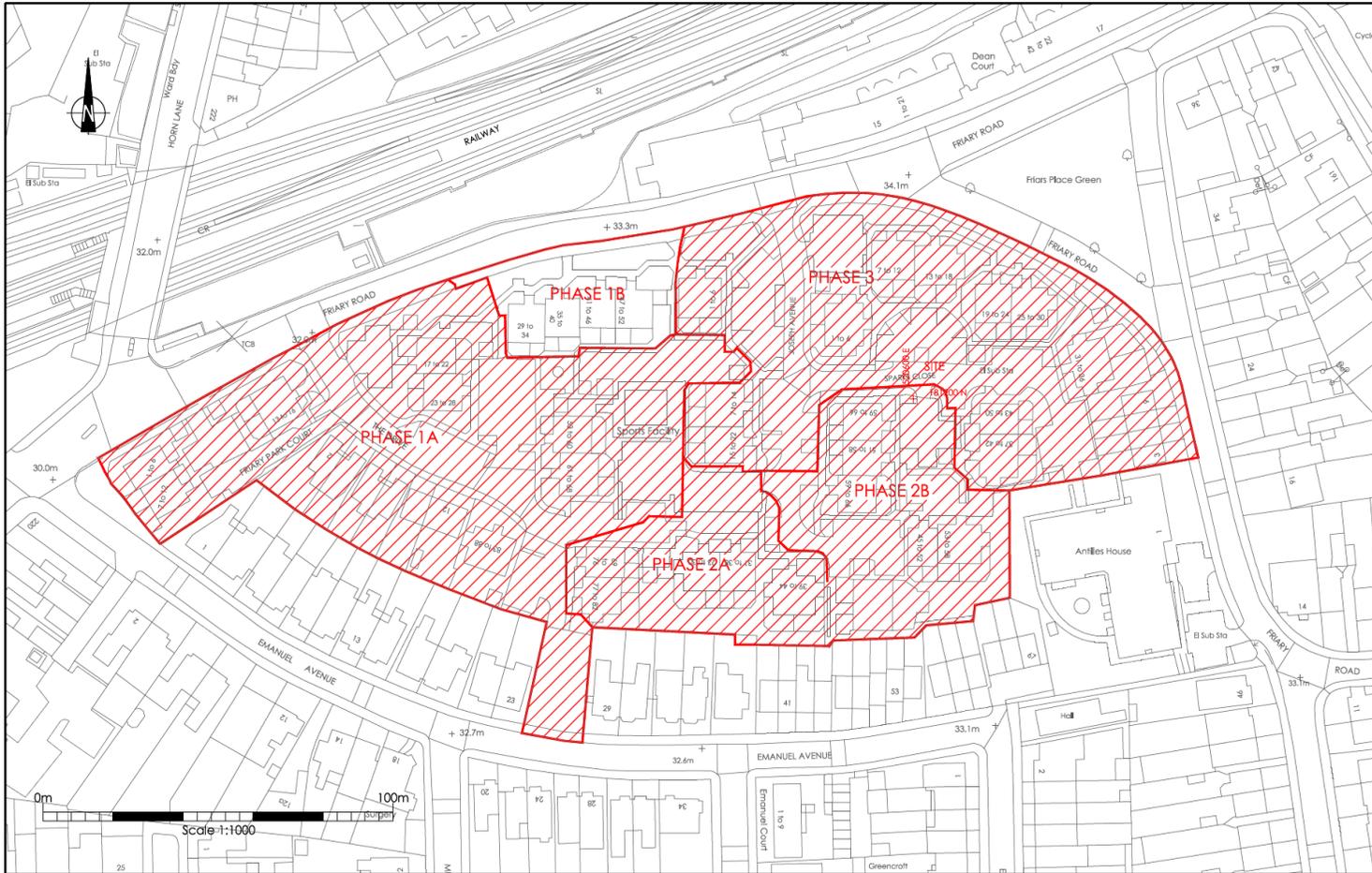
2. Site Maps

Water boundary



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Sewerage boundary



PLAN REFERRED TO IN THE VARIATIONS OF THE APPOINTMENTS OF ICOSA WATER SERVICES LIMITED AND THAMES WATER UTILITIES LIMITED AS SEWERAGE UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON22.June.2022.....

J. Kelly



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3. Variation Notice

<p style="text-align: center;">WATER SERVICES REGULATION AUTHORITY WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9</p> <p style="text-align: center;">¶</p> <p style="text-align: center;">Variation of the Appointments of Icosa Water Services Limited and Thames Water Utilities Limited as Water and Sewerage Undertakers</p> <p style="text-align: center;">Made on 22 June 2022¶</p> <p style="text-align: center;">Coming into effect on 23 June 2022¶</p> <p style="text-align: center;">¶</p> <ol style="list-style-type: none">1. → Icosa Water Services Limited ("Icosa Water") and Thames Water Utilities Limited ("Thames Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¶ The areas to which the Appointments of Icosa Water and Thames Water as water and sewerage undertakers relate ("Water Supply Area" and "Sewerage Services Area") are set out in their Instruments of Appointment.¶2. → The site called Friary 1b (Extension to Friary Park 1a) in Acton, London Borough of Ealing, which is labelled and shown edged in red on the plan attached to this variation, ("the Site") is within Thames Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Mount Anvil Limited.¶3. → Icosa Water has applied under section 7(4)(b) of the Water Industry Act 1991 ("the Act") for a variation of its Appointment as a water and sewerage undertaker to include the Site and for a consequential variation of Thames Water's Appointment to exclude the Site.¶4. → On 27 June 1995, the Secretary of State for the Environment and the Secretary of State for Wales acting jointly and pursuant to sections 6(1) and 7(2) of the Act authorised the Director General of Water Services to make variations such as those contained in paragraph 5 below. After public consultation, as required by section 8 of the Act, the Water Services Regulation Authority has decided that it should grant Icosa Water's application.¶5. → Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Mount Anvil Limited, the Water Services Regulation Authority varies—¶ <p>¶</p> <p>¶ Thames Water's original Appointment as a water and sewerage undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. Icosa Water's original Appointment as a water and sewerage undertaker was made by the Water Services Regulation Authority under sections 6 and 11 of the Water Industry Act 1991.¶</p> <p>¶ With effect from 1 April 2006 the functions of the Director General of Water Services were transferred to the Water Services Regulation Authority in accordance with section 36 of, and Schedule 3 to, the Water Act 2003.¶</p> <p style="text-align: center;">1¶</p>	<p>(a) the Appointment of Icosa Water as a water and sewerage undertaker so that the Site is included in Icosa Water's Water Supply Area and Sewerage Services Area; and¶</p> <p>(b) the Appointment of Thames Water as a water and sewerage undertaker so that the Site is excluded from Thames Water's Water Supply Area and Sewerage Services Area.¶</p> <p>¶</p> <p>Signed for and on behalf of the Water Services Regulation Authority</p> <p>¶</p>  <p>¶</p> <p>Sally Irwin Director of Enforcement¶</p> <p style="text-align: center;">2¶</p>
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**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

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