

August 2022

Variation of Independent Water Networks Limited's appointment to include New Avenue, London

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On 27 June 2022, Ofwat began a [consultation](#) on a proposal to vary Independent Water Networks Limited's ("Independent Water Networks") appointment to become the water services provider for a development in Thames Water Services Limited ("Thames Water") water supply area called New Avenue, London ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 25 July 2022. During the consultation period, we received representations from two organisations, which are summarised in Section 1 of this document.

On 16 May 2022, Independent Water Networks advised Ofwat it has submitted an incorrect boundary map as part of its application for this variation. The corrected map resulted in a reduction in the size of the original boundary area submitted. Independent Water Network confirmed that there are no other changes to be made to other aspects of the information it provided in its application (for example the number of properties to be on the Site or its financial modelling for the application), therefore the change does not affect our assessment of the application. The revised boundary can be found in Section 2 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 Independent Water Networks' application and having taken account of the responses we received to our consultation, we decided to grant a variation to Independent Water Networks' area of appointment to allow it to serve the site for water services. This appointment became effective on 1 August 2022.

The site Map 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 two organisations: the Consumer Council for Water (“**CCW**”) and Environment Agency. We considered these responses before making the decision to vary Independent Water Networks' appointment.

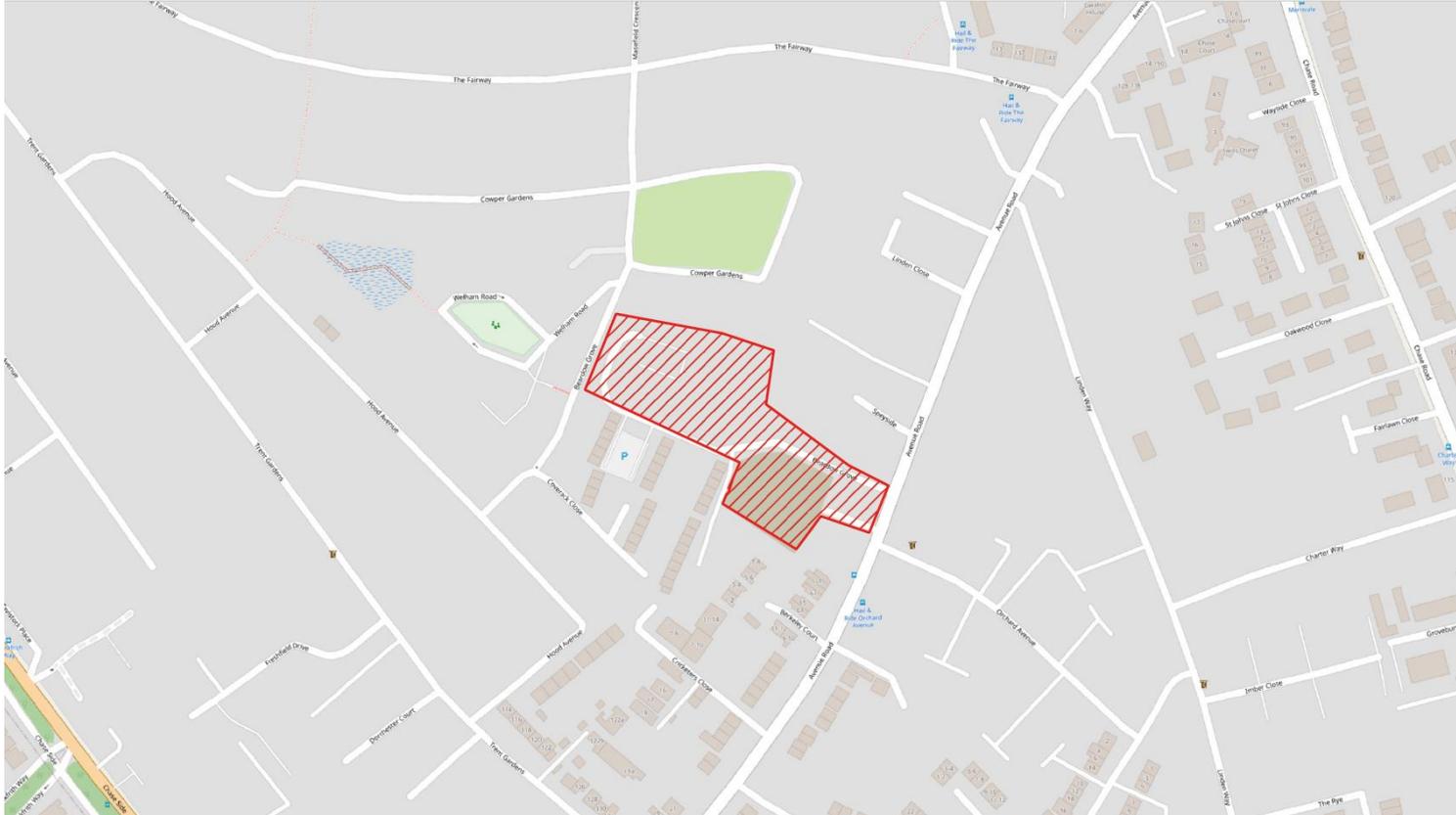
The Environment Agency had no comments to make with regard to this consultation and did not have any objections. Details of CCW's response are set out below.

CCW

As part of the application process Ofwat has engaged with CCW. CCW's position is that new appointments and variations (NAV) should bring benefits to customers on the proposed NAV site. CCW expects new appointees to provide consumers with prices, levels of service or service guarantees that match or, ideally, better those of incumbent water and/or sewerage companies. CCW has stated that it is satisfied that Independent Water Networks as an established new appointee, offers customers on its NAV sites prices and levels of service which match or better those offered by the incumbent water and/or sewerage companies which would otherwise serve the site. Therefore CCW agrees with Ofwat's assessment that customers on the Site will be no worse off if served by Independent Water Networks and so, overall, supports the proposed variation of appointment.

CCW has also considered the impact on an incumbent's existing customers when a NAV site is approved. It notes that in many cases there is a potential cost on the annual water and/or sewerage bills of these customers. While this cost is negligible on an individual site basis, CCW is unclear of the wider benefits of the NAV regime for incumbents' customers, particularly as the number of sites in each incumbent area increases and the cumulative cost rises.

2. Site Map



PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF INDEPENDENT WATER NETWORKS LIMITED AND THAMES WATER UTILITIES LIMITED, AS WATER UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON ...
29/07/2022

ADDRESS : NEW AVENUE, AVENUE ROAD, LONDON, N14 4DH
OS GRID REFERENCE: 529080, 195127
SCALE: 1:3000
DRAWN BY: CS
DATE: 16/05/2022

0 50 100 m
**NEW AVENUE
WATER UNDERTAKERS
INSET MAP 1**



3. Variation Notice

**WATER SERVICES REGULATION AUTHORITY
WATER INDUSTRY ACT 1991, SECTIONS 6 TO 9**

Variation of the Appointments of Independent Water Networks Limited and Thames Water Utilities Limited as Water Undertakers

Made on 29 July 2022

Coming into effect on 1 August 2022

1. Independent Water Networks Limited ("Independent Water Networks") and Thames Water Utilities Limited ("Thames Water") hold Appointments as water undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Independent Water Networks and Thames Water as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
2. The site called New Avenue, London, which is shown edged in red on the plan attached to this variation, ("the Site") is within Thames Water's Water Supply Area. The Site is being developed by Countryside Properties (UK) Limited.
3. Independent Water Networks has applied under section 7(4)(b) of the Water Industry Act 1991 ("the Act") for a variation of its Appointment as a water 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 Services² 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 Independent Water Networks' application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Countryside Properties (UK) Limited, the Water Services Regulation Authority **varies**—

¹ Thames Water's original Appointments as water and sewerage undertakers were 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. Independent Water Networks' original Appointment was made by the Water Services Regulation Authority under sections 6 and 11 of the Water Industry Act 1991.

² 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.

- (a) the Appointment of Independent Water Networks as a water undertaker so that the Site is included in Independent Water Networks' Water Supply Area; and
- (b) the Appointment of Thames Water as a water undertaker so that the Site is excluded from Thames Water's Water Supply Area.

Signed for and on behalf of the Water Services Regulation Authority

Laura Clougher

**Laura Clougher
Principal, Casework and Enforcement**

**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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