

Variation of Icosa Water Services Limited's appointment to include Herrington View, Penshaw, Houghton le Spring, Sunderland

On 12 April 2023, 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 Northumbrian Water Limited's ("Northumbrian Water") water supply area and sewerage services area called Herrington View, Penshaw, Houghton le Spring, Sunderland ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 15 May 2023. During the consultation period, we did not receive any representations from any organisations.

Ofwat has engaged with the Environment Agency as part of the application process. For this application, the Environment Agency has flagged that the water supply and demand forecasts in Icosa Water's application do not reflect the assumptions set out in its draft Water Resources Management Plan (the statutory water resources management plan water companies are required to prepare to set out their planning approach for at least the next 25 years), and that this could pose a potential risk of a supply deficit in the future. Where a risk of deficit exists, applicants are expected to assure the Environment Agency, via statutory processes, that there is not a risk of deficit or, that any deficit will be resolved. The risk has been flagged to Icosa Water to action. The Environment Agency has confirmed to us that it is comfortable for the variation to proceed ahead of those discussions being concluded.

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 sewerage company. As set out in our consultation we are satisfied this is the case.

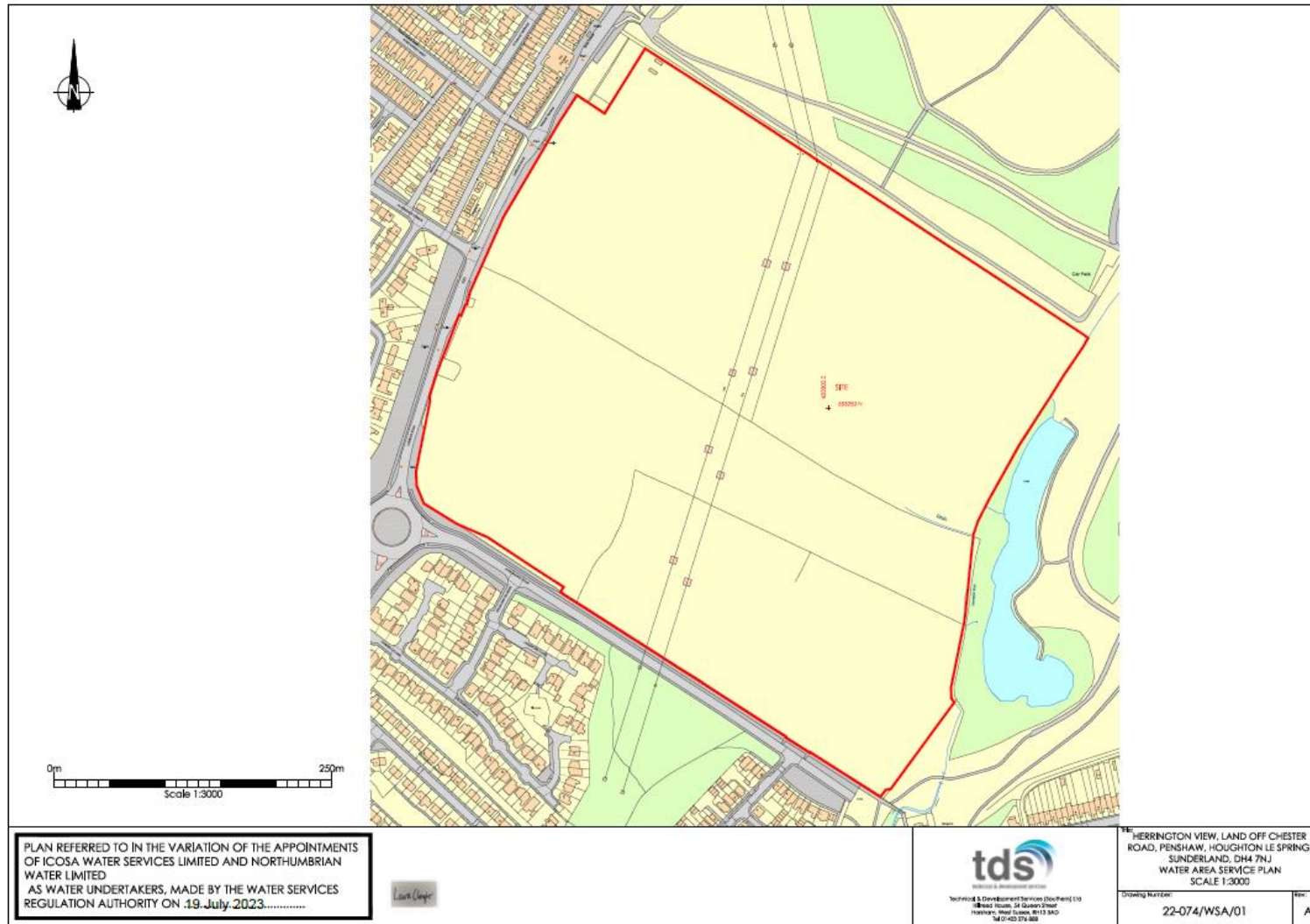
Having assessed Icosa Water's application and having received no responses to our consultation, we decided to grant a variation to Icosa Water's area of appointment to allow it to serve the Site for water and sewerage services. This appointment became effective on 20 July 2023.

The Site Maps for the variation can be found in Section 1 of this document.

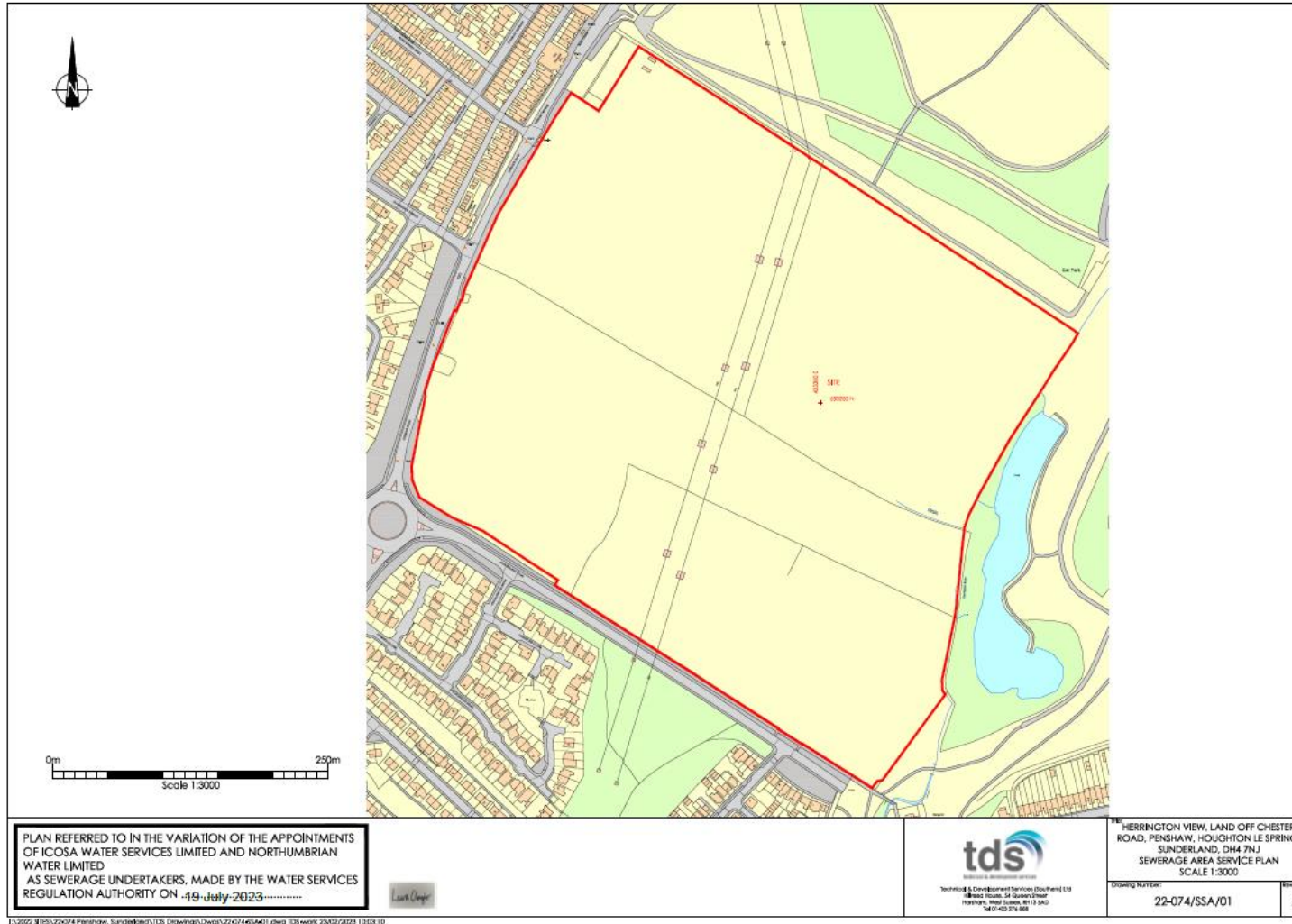
The Variation Notice legally making the variation can be found in Section 2 of this document.

1. Site Maps

Water



Sewerage



2. Variation Notice

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

Variation of the Appointments of Icosa Water Services Limited and Northumbrian Water Limited as Water and Sewerage Undertakers

Made on 19 July 2023

Coming into effect on 20 July 2023

1. Icosa Water Services Limited ("Icosa Water") and Northumbrian Water Limited ("Northumbrian Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Icosa Water and Northumbrian Water as water and sewerage undertakers relate ("Water Services Area" and Sewerage Services Area") are set out in their Instruments of Appointment.
2. The site called Herrington View, Penshaw, Houghton le Spring in Sunderland which is shown edged in red on the plan attached to this variation ("the Site") is within Northumbrian Water's Water and Sewerage Services Area. The Site is being developed by Taylor Wimpey UK 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 Northumbrian 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 Icosa Water's application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Taylor Wimpey UK Limited, the Water Services Regulation Authority **varies**–

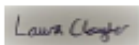
¹ Northumbrian Water's original Appointment as a water and sewerage undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. Icosa Water's original Appointment was made by the Water 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.

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- (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
- (b) the Appointment of Northumbrian Water as a water and sewerage undertaker so that the Site is excluded from Northumbrian Water's Water Supply Area and Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority



Laura Clougher
Principal, Casework and Enforcement