

Variation of Icosa Water Services Limited's appointment to include Lavender Rise, Axbridge

On 18 May 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 South West Water Limited's ("South West Water"¹) water supply area and Wessex Water Services Limited's ("Wessex Water") sewerage services area called Lavender Rise, Axbridge ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 15 June 2023. During the consultation period, we received no representations.

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.

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.

Having assessed Icosa Water's application, having received no responses to our consultation and noting the above, we have 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 7 July 2023.

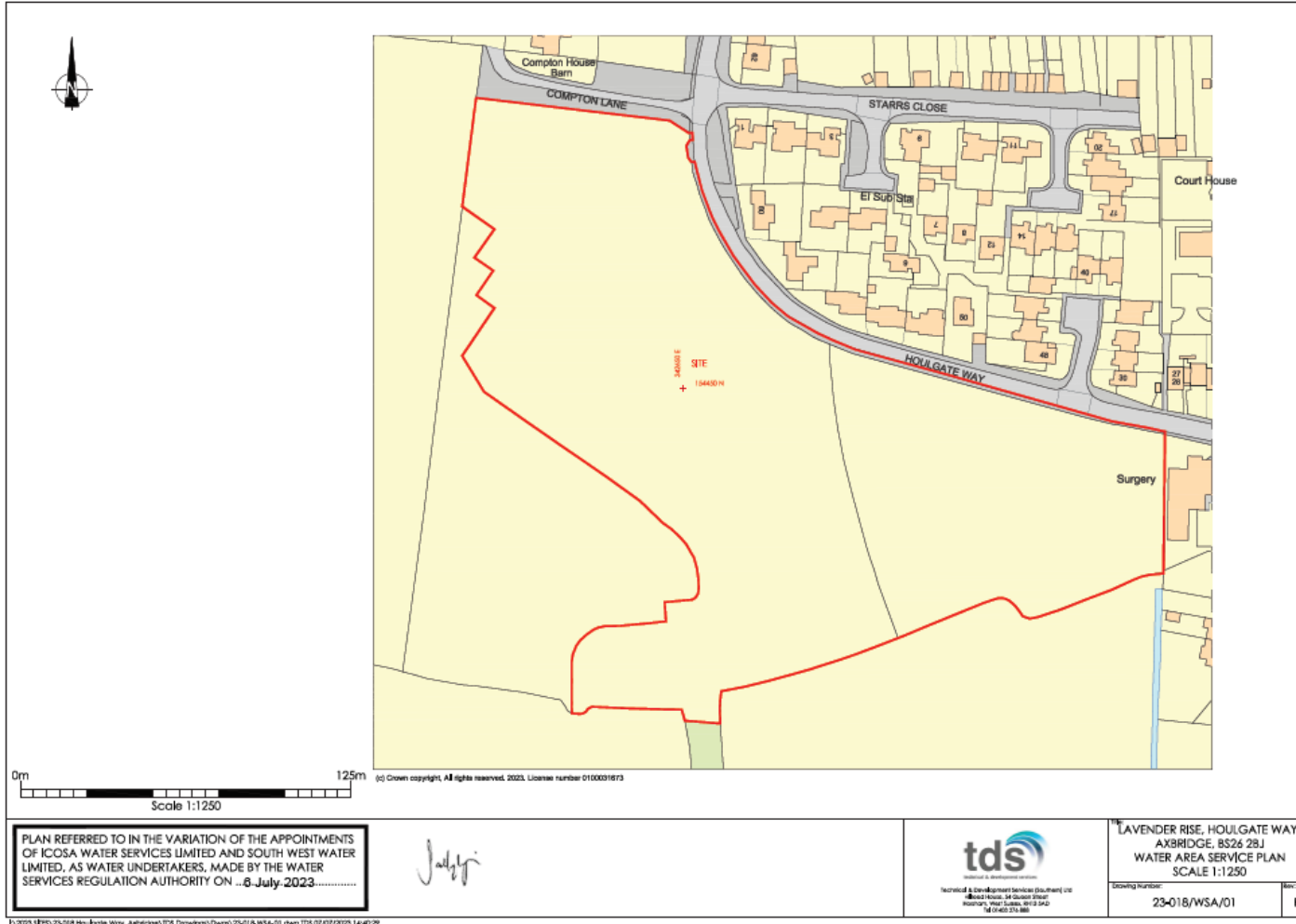
The Site Maps for the variation can be found in Section 1 of this document.

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

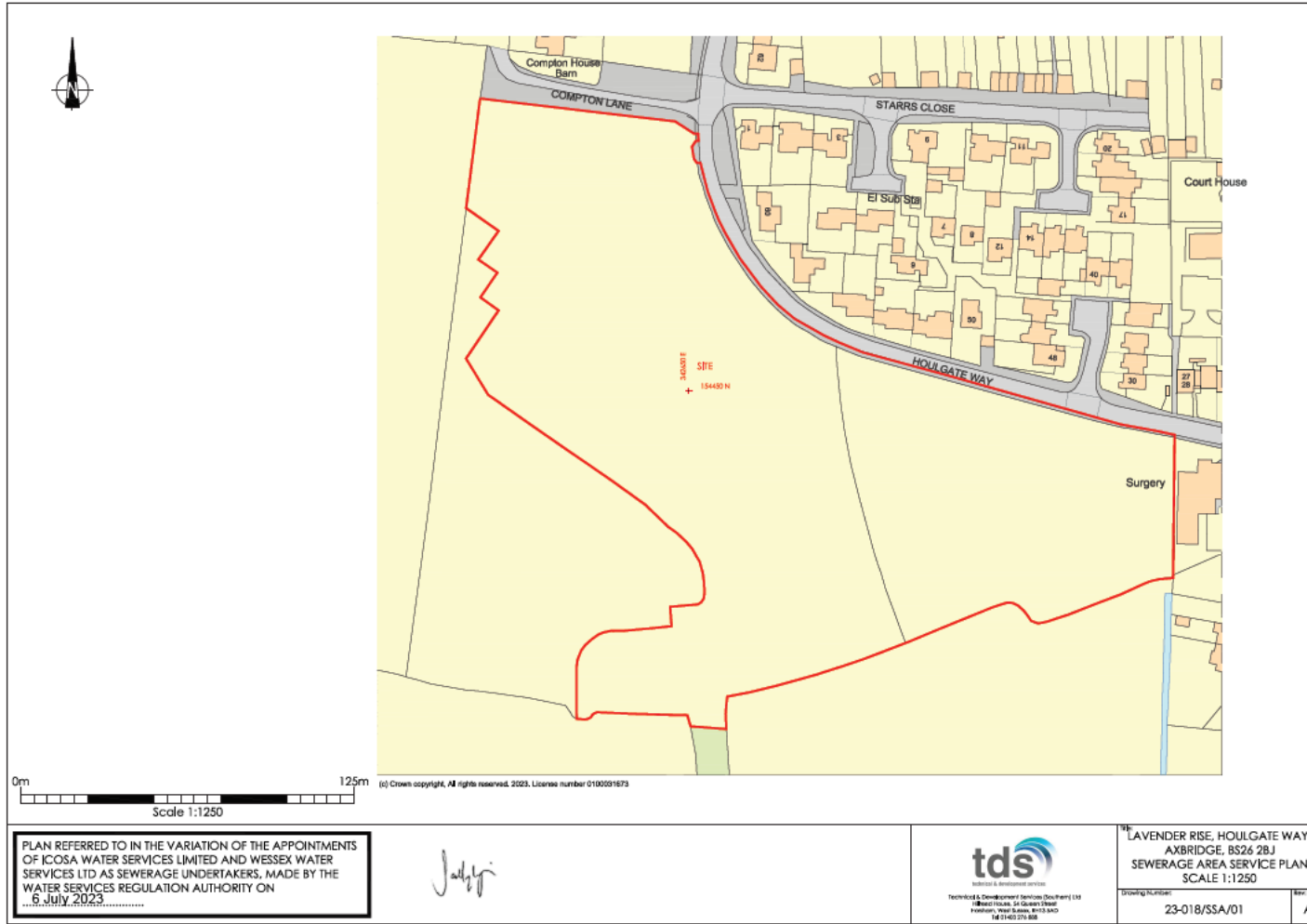
¹ With effect from 1 February 2023 we varied South West Water Limited's area for water services so that it covers the area previously served by Bristol Water plc (the Bristol area) and also terminated Bristol Water's licence because it no longer provides water services to any area. South West Water Limited continue to trade as Bristol Water in this area.

1. Site Maps

Water map



Sewerage map



2. Variation Notice

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

Variation of the Appointments of Icosa Water Services Limited, South West Water Limited and Wessex Water Services Limited as Water and Sewerage Undertakers

Made on 6 July 2023

Coming into effect on 7 July 2023

1. Icosa Water Services Limited ("Icosa Water"), South West Water Limited ("South West Water") and Wessex Water Services Limited ("Wessex Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Icosa Water, South West Water and Wessex 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 Lavender Rise, Axbridge, which is shown edged in red on the plan attached to this variation, ("the Site") is within South West Water's Water Supply Area and Wessex Water's Sewerage Services Area. The Site is being developed by Bellway Homes 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 South West Water's and Wessex 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 Bellway Homes Limited, the Water Services Regulation Authority **varies–**

¹South West Water's and Wessex 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.

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 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;
- (b) the Appointment of South West Water as a water undertaker, so that the Site is excluded from South West Water's Water Supply Area; and
- (c) the appointment of Wessex Water as a sewerage undertaker, so that the Site is excluded from Wessex Water's Sewerage Services Area.

Signed for and on behalf of the Water Services Regulation Authority

A handwritten signature in black ink, appearing to read 'Sally Irgin', is written over a light grey rectangular background.

Sally Irgin
Director of Enforcement