

Variation of Leep Networks (Water) Limited's appointment to include Perrybrook Farm (Phases 4 and 6), Gloucester

On 10 July 2023, Ofwat began a [consultation](#) on a proposal to vary Leep Networks (Water) Limited's ("**Leep Water**") appointment to become the water and sewerage services provider for a development in Severn Trent Water Limited's ("**Severn Trent Water**") water supply area and sewerage services area called Perrybrook Farm (Phases 4 and 6), Gloucester ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 7 August 2023. During the consultation period, we received representations from one organisation, the Environment Agency who informed us of a possible supply-demand deficit issues concerning headroom and leakage assumptions. The Environment Agency flagged that the water supply and demand forecasts in Icosa Water's application did 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. Icosa Water confirmed to us, in an email of 20 September 2023, that the small deficit has now been resolved to the satisfaction of the Environment Agency and there is now a surplus of supply over expected consumption on the Site. On 8 September 2023, Leep Water confirmed that these concerns have been addressed in that the bulk agreements display a surplus of at least 10% above expected consumption, and therefore show no concerns regarding supply-demand. This was further confirmed by the Environment Agency on 19 September 2023.

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. The responses we have received to the consultation have not changed that view.

Having assessed Leep Water's application and having taken account of the responses we received to our consultation, we decided to grant a variation to Leep Water's area of appointment to allow it to serve the Site for water and sewerage services. This appointment became effective 25 September 2023.

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

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Gloucester

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

1. Site Map

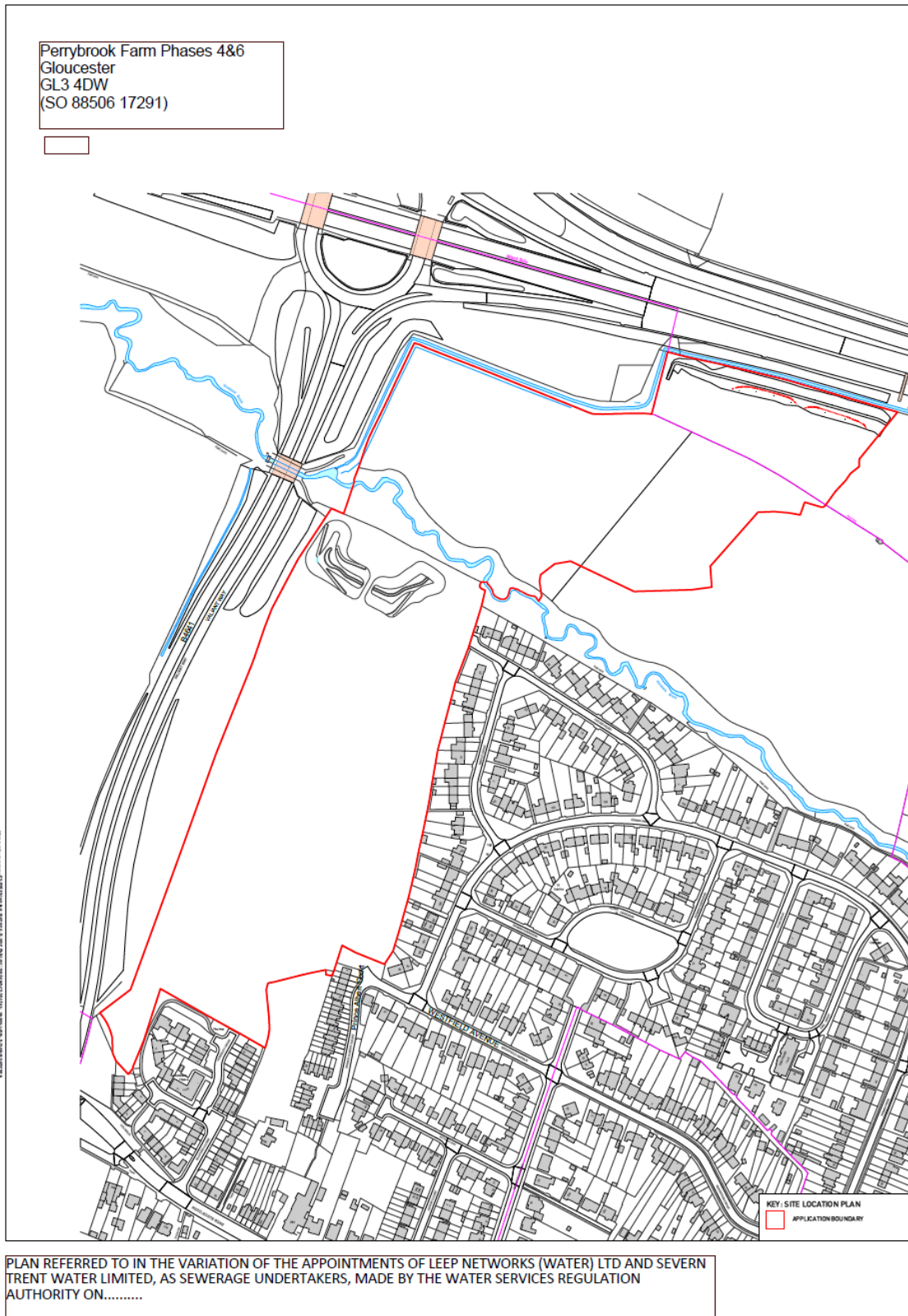


PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF LEEP NETWORKS (WATER) LTD AND SEVERN TRENT WATER LIMITED, AS WATER UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON.....

22/09/2023 *J44*

PERRYBROOK - PHASE 4&6 - SITE LOCATION PLAN

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22/09/2023

PERRYBROOK - PHASE 4&6 - SITE LOCATION PLAN

2. Variation Notice

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

**Variation of the Appointments of Leep Networks (Water) Limited and Severn
Trent Water Limited as Water and Sewerage Undertakers**

Made on 22 September 2023

Coming into effect on 25 September 2023

1. Leep Networks (Water) Limited ("Leep Water") and Severn Trent Water Limited ("Severn Trent Water") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Leep Water and Severn Trent 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 Perrybrook Farm (Phases 4 and 6), Gloucester, which is shown edged in red on the plan attached to this variation, ("the Site") is within Severn Trent Water's Water Supply Area and Sewerage Services Area. The Site is being developed by Crest Nicholson Operations Limited.
3. Leep 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 Severn Trent Water's appointment to exclude the Site.

¹ Severn Trent Water's original Appointments 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. Leep Water's original Appointment was made by the Water Services Regulation Authority under sections 6 and 11 of the Water Industry Act 1991.

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 Leep Water's application.

5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of Crest Nicholson Operations Limited, the Water Services Regulation Authority **varies**–

(a) the Appointment of Leep Water as a water and sewerage undertaker so that the Site is included in Leep Water's Water Supply Area and Sewerage Services Area; and

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

Signed for and on behalf of the Water Services Regulation Authority



**Sally Irgin
Director of Enforcement**

End of document ■

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.