

Variation of Albion Water Limited's appointment to include Abbey Lane, Burscough, Lancashire

On 7 September 2023, Ofwat began a [consultation](#) on a proposal to vary Albion Water Limited's ("Albion Water") appointment to become the water and sewerage services provider for a development in United Utilities Water Limited's ("United Utilities") water supply area and sewerage services area called Abbey Lane, Burscough, Lancashire ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 5 October 2023. During the consultation period, we received representations from two organisations, the Consumer Council for Water and the Drinking Water Inspectorate, details of which are set out 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 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 Albion Water's application and having taken account of the responses we received to our consultation, we decided to grant a variation to Albion Water's area of appointment to allow it to serve the Site for water and sewerage services. This appointment became effective on 16 October 2023.

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 two organisations: the Consumer Council for Water (“**CCW**”) and Drinking Water Inspectorate (“**DWI**”), details of which are set out below. We considered these responses before making the decision to vary Albion Water's appointment.

DWI

The DWI said that it did not have any objections to raise. It noted that Albion Water is aware of its obligations under the Water Supply (Water Quality) Regulations and the relevant parts of the Water Industry Act.

CCW

CCW stated that it is happy that in terms of levels of service, Albion Water at least matches those of United Utilities. It notes that whilst there will be no financial impact on United Utilities' existing customers, CCW is disappointed that customers on the Site will not have any financial benefit from being served by Albion Water rather than United Utilities given Albion Water's intention to match United Utilities' charges.

CCW noted that in general it has concerns where a NAV company does not offer the same help to customers in financial difficulties as the relevant incumbent company does. It states that in this case, whilst Albion Water does have a special assistance fund it does not match the social tariff assistance that is available to customers of United Utilities. CCW considers this a disbenefit of the application and would like to see Albion Water proposing to match the support of United Utilities provide to any of its customers in the relevant circumstances.

Ofwat's Response

One of our key policies with 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.

Ofwat shared CCW's response with Albion Water who provided assurance of the additional support it offers to customers. Albion Water is aware of its obligation to ensure that customers are no worse off than they would be with the incumbent provider. Albion Water offers customers Watersure and has a Special Assistance Fund that customers can apply for.

2. Site Maps

Abbey Lane, Burscough, Ormskirk, England, L40 7SR, water services boundary map (new appointment)



PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF Albion Water Limited AND United Utilities Water Limited, AS WATER UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON 13/10/2023

A handwritten signature in black ink, appearing to read 'J. J. J.', located below the text.

Variation of Albion Water Limited's appointment to include Abbey Lane, Burscough, Lancashire

Abbey Lane, Burscough, Ormskirk, England, L40 7SR, Sewerage services boundary map (new appointment)



PLAN REFERRED TO IN THE VARIATION OF THE APPOINTMENTS OF Albion Water Limited AND United Utilities Water Limited, AS SEWERAGE UNDERTAKERS, MADE BY THE WATER SERVICES REGULATION AUTHORITY ON 13/10/2023

A handwritten signature in black ink, appearing to read 'J. Kelly'.

3. Variation Notice

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

Variation of the Appointments of Albion Water Limited and United Utilities Water Limited as Water and Sewerage Undertakers

Made on 13 October 2023

Coming into effect on 16 October 2023

1. Albion Water Limited ("Albion Water") and United Utilities Water Limited ("United Utilities") hold Appointments as water and sewerage undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Albion Water and United Utilities 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 Abbey Lane, Burscough, Lancashire, which is shown edged in red on the plan attached to this variation, ("the Site") is within United Utilities' Water Supply Area and Sewerage Services Area. The Site is being developed by **Fairhome** Property Solutions Limited.
3. Albion 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 United Utilities' 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 Albion Water's application.
5. Therefore, as provided by sections 7(2) and 7(4)(b) of the Act, and with the agreement of **Fairhome** Property Solutions Limited, the Water Services Regulation Authority varies—

¹ United Utilities' 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. Albion 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.

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

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

Signed for and on behalf of the Water Services Regulation Authority



Sally Irgin
Director of Enforcement