

Variation of Icosa Water Services Limited's appointment to include Oakley House, Luton

On 30 May 2023, Ofwat began a [consultation](#) on a proposal to vary Icosa Water Services Limited's ("**Icosa Water**") appointment to become the water services provider for a development in Affinity Water Limited's ("**Affinity Water**") water supply area called Oakley House, Luton ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 26 June 2023. During the consultation period, we received representations from one organisation, the Environment Agency.

Ofwat has engaged with the Environment Agency as part of the application process. For this application, 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. The risk was flagged to Icosa Water to action. The Environment Agency confirmed to us that the issue is resolved, and it is comfortable for the application to proceed to a final decision.

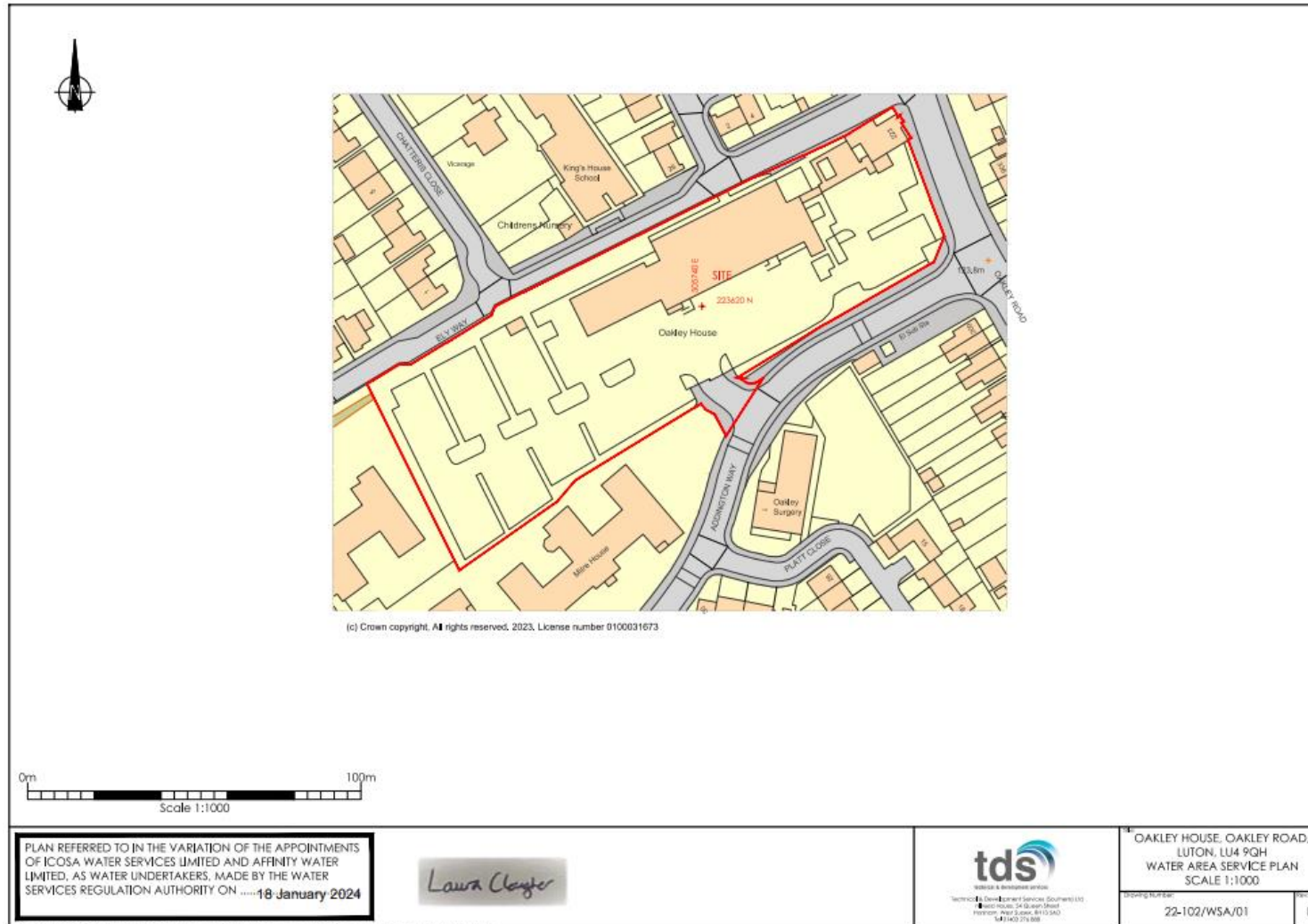
We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the Site will be no worse off than if the Site had been served by the existing appointee; and if the applicant will be able 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 response we have received to the consultation has not changed that view.

Having assessed Icosa Water's application and having taken account of the response we received 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 services. This appointment became effective on 19 January 2024.

The Site map 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 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 and Affinity Water Limited as
Water Undertakers**

Made on 18 January 2024

Coming into effect on 19 January 2024

1. Icosa Water Services Limited ("Icosa Water") and Affinity Water Limited ("Affinity Water") hold Appointments as water undertakers for their respective areas ("the Appointments").¹ The areas to which the Appointments of Icosa Water and Affinity Water as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
2. The site called Oakley House, Luton which is shown edged in red on the plan attached to this variation ("the Site") is within Affinity Water's Water Supply Area. The Site is being developed by Hightown Housing Association 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 Affinity Water's 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 Hightown Housing Association Limited, the Water Services Regulation Authority **varies**–
 - (a) the Appointment of Icosa Water as a water undertaker so that the Site is included in Icosa Water's Water Supply Area; and

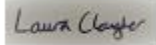
¹ Affinity Water's original Appointment as a water undertaker was made by the Secretary of State for the Environment under sections 11 and 14 of the Water Act 1989, now replaced by sections 6 and 11 of the Water Industry Act 1991. Icosa Water's original Appointment was made by the Water Services Regulation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

Variation of Icosa Water Services Limited's appointment to include Oakley House, Luton

(b) the Appointment of Affinity Water as a water undertaker so that the Site is excluded from Affinity Water's Water Supply Area.

Signed for and on behalf of the Water Services Regulation Authority

A handwritten signature in black ink that reads "Laura Clougher". The signature is written in a cursive style and is placed on a light grey rectangular background.

**Laura Clougher
Principal, Casework and Enforcement**