Variation of Icosa Water Services Limited's appointment to include Former Homebase, Ilford, London

On 13 July 2023, Ofwat began a <u>consultation</u> on a proposal to vary Icosa Water Services Limited's ("Icosa Water") appointment to become the water services provider for a development in Northumbrian Water Limited's ("Northumbrian Water") water supply area called Former Homebase, Ilford, London ("the Site"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 10 August 2023. During the consultation period, we did not receive any representations.

Ofwat has engaged with the Environment Agency as part of the application process. For this application, the Environment Agency had 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 Ofwat that the concerns had been resolved and that it was content for us to grant the variation.

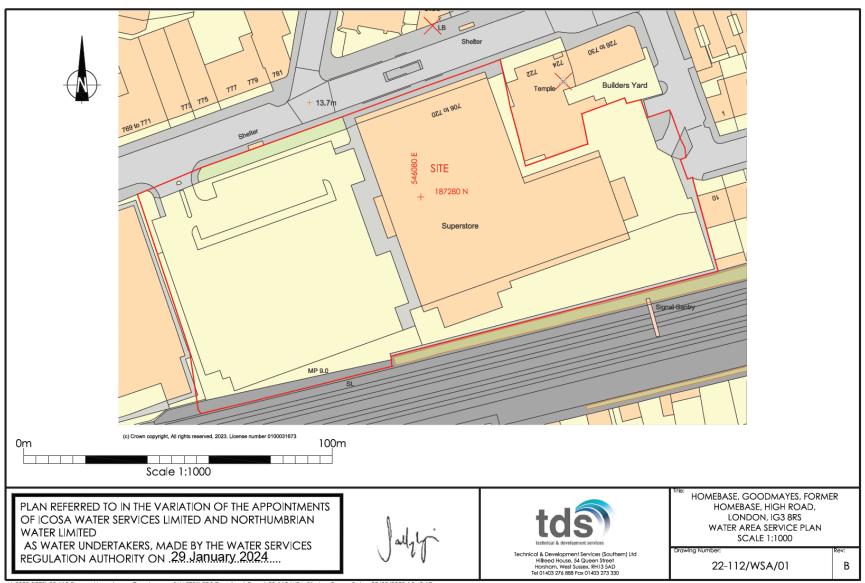
We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the site will be no worse off than if the site had been served by the existing appointee; and if the applicant will be able to finance the proper carrying out of its functions as a water 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 services. This appointment became effective on 30 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 Northumbrian Water Limited as Water Undertakers

Made on 29 January 2024

Coming into effect on 30 January 2024

- 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 undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
- The site called Former Homebase, High Road, Ilford, London which is shown edged in red on the plan attached to this variation ("the Site") is within Northumbrian Water's Water Supply Area. The Site is being developed by Fairview New Homes Limited.
- 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 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 Fairview New Homes 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

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

Signed for and on behalf of the Water Services Regulation Authority

July

Director of Enforcement

Northumbrian Water's original Appointments 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.