

## Variation of Icosa Water Services Limited's appointment to include Abbey Mill, Bishop's Waltham, Southampton

On 24 July 2023, Ofwat began a [consultation](#) on a proposal to vary Icosa Water Services Limited's ("**Icosa Water**") appointment to become the water provider for a development in Portsmouth Water Limited's ("**Portsmouth Water**") water supply area called Abbey Mill, Bishop's Waltham, Southampton ("**the Site**"). Details of the application and our assessment of it were set out in the consultation document.

The consultation ended on 21 August 2023. During the consultation period, we received one response from Portsmouth Water, who advised it had no comments to make in response to the consultation.

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. We have since received confirmation from the Environment Agency that the issues have been resolved and it is comfortable for us to proceed to a decision.

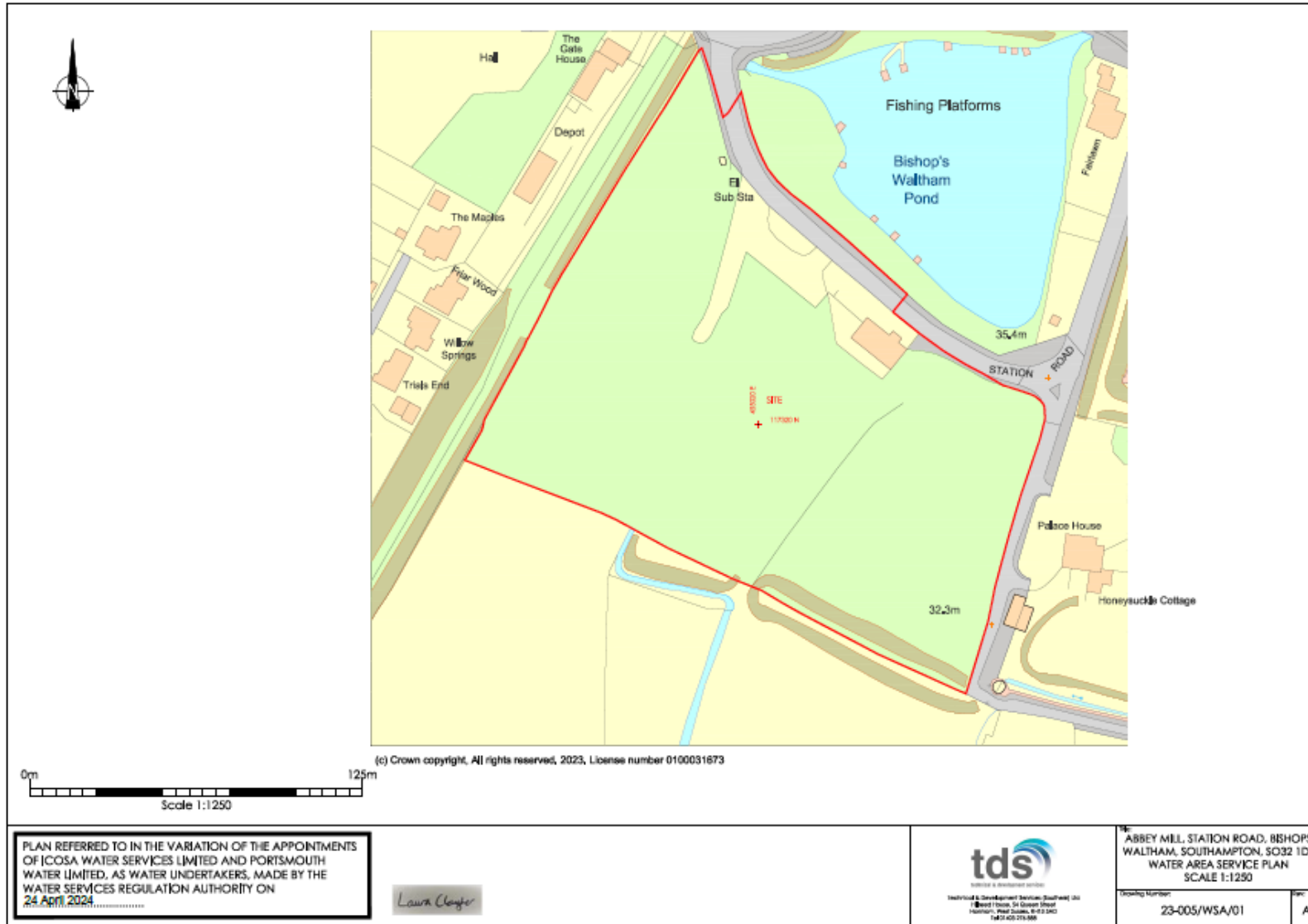
We will only make an appointment or variation if our assessment concludes that the application meets the criterion it has been made under; that customers or future customers on the site will be no worse off than if the site had been served by the existing appointee; and if the applicant will be able 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.

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 25 April 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 Portsmouth Water Limited as Water Undertakers**

Made on 24 April 2024

Coming into effect on 25 April 2024

1. Icosa Water Services Limited ("Icosa Water") and Portsmouth Water Limited ("Portsmouth Water") hold Appointments as water undertakers for their respective areas ("the Appointments").<sup>1</sup> The areas to which the Appointments of Icosa Water and Portsmouth Water as water undertakers relate ("Water Supply Area") are set out in their Instruments of Appointment.
2. The site called Abbey Mill, Bishop's Waltham in Southampton which is shown edged in red on the plan attached to this variation ("the Site") is within Portsmouth Water's Water Supply Area. The Site is being developed by Beechcroft Developments 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 undertaker to include the Site and for a consequential variation of Portsmouth 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 Services<sup>2</sup> 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 Beechcroft Developments 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

<sup>1</sup> Portsmouth 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.

<sup>2</sup> 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.

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

Signed for and on behalf of the Water Services Regulation Authority



**Laura Clougher**  
**Principal, Casework and Enforcement**