

Dated

23rd July

2013

BETWEEN:

THAMES WATER UTILITIES LIMITED

- and -

THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK

DEED OF CLARIFICATION AND AMENDMENT

Doreen Forrester-Brown
Director of Legal Services
London Borough of Southwark
Legal Services

PO Box 64529
London SE1P 5LX

160 Tooley Street
London SE1 2QH

THIS DEED OF CLARIFICATION AND AMENDMENT is made the 23rd day of July
2013

PARTIES:

- (1) **THAMES WATER UTILITIES LIMITED** ("the Provider") whose company number is 02366661 and whose registered office is at Clearwater Court, Vastern Road, Reading, RG1 8DB and
- (2) **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK** ("the Council") whose principal office is 160 Tooley Street, London SE1 2QH

each a "Party" and together the "Parties".

WHEREAS:

- A. The Council is a Local Housing Authority within the meaning of the Housing Act 1985 ("the HA 85") and in the course of its responsibilities as a Local Housing Authority lets residential accommodation within the local government area for which it is responsible pursuant to tenancy agreements and licences.
- B. Pursuant to ss.142 and 143 of the Water Industry Act 1991 ("the WIA 91") the Provider has power to charge Consumers (as defined in s.150B of the WIA 91) for the supply of water and the provision of sewerage services ("the Services").
- C. The Parties entered into an agreement dated 6 March 2000 ("the Agreement") recording arrangements for the payment of charges due to the Provider for the Provider's Services to the occupants of certain premises owned, managed and let by the Council. The Provider and the Council wish to clarify and amend the Agreement as set out in this Deed.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1. Definitions

The words and phrases defined in the Agreement shall, where the context so admits, have the same meanings in this Deed.

2. Clarification

In order to clarify the Parties' common intention at the time of entering into the Agreement, the Parties confirm as follows:

- 2.1 The Council is empowered by the Water Consolidation (Consequential Provisions) Act 1991 ("WC(CP)A 91"), Schedule 1, paragraph 20 to enter into agreements for the collection and recovery by the Council on behalf of the Provider of the charges fixed by the Provider for the Services (the "Charges"). The Council entered into the Agreement, and enters into this Deed, pursuant to its said powers under the WC(CP)A 91.
- 2.2 The Council is not a Water Re-seller for the purposes of the Water Resale Order 2001 and the Water Resale Order 2006 or any Order or Statutory Instrument replacing or superseding the Water Resale Orders.
- 2.3 The Council acts as the Provider's agent for the recovery of the Charges in respect of the Unmeasured Premises (save where the Parties agree that the Provider will recover such Charges directly from any occupier of the Unmeasured Premises).
- 2.4 The Council is and will remain liable to the Provider for payment of the Charges, irrespective of whether or not the Council is or has been able to obtain any payment from any occupiers of the Unmeasured Premises in relation to the Services.
- 2.5 The commission payable by the Provider to the Council pursuant to Clause 3 of the Agreement constitutes payment for the Council's services pursuant to the Agreement, in light of the administrative costs of collection of the Provider's Charges and the Council's assumption of the risk of non-payment by occupiers.

3. Variation

- 3.1 The Agreement shall be varied so that all references to the "Customer" in the Agreement shall be replaced by references to the "Council".
- 3.2 Recital (3) of the Agreement shall be deleted and replaced by the following:

"(3) The Council and the Provider have agreed that the Council will collect the Provider's charges for the Services on behalf of the Provider on the terms set out in this Agreement."

3.3 In sub-clause 2.1 of the Agreement the words "to the occupiers of" shall be added after the word "provided" and the words "less the Voids Allowance to which the Council is entitled under sub-clause 3.1" shall be added to the end of the sub-clause.

3.4 In sub-clause 2.2 of the Agreement, the words ", less the allowances and reductions to which the Customer is entitled under Clause 3" shall be deleted.

3.5 The following sub-clauses shall be added to Clause 2 of the Agreement:

- "2.4 (a) the Council shall collect the Charges from the occupiers of the Unmeasured Premises as agent for the Provider;
- (b) the Charges collected from the occupiers of the Unmeasured Premises shall be the amounts fixed by the Provider by applying the Tariffs and notified to the Council by the Provider;
- (c) the Council will remain liable to pay the Charges to the Provider as set out in Clause 4 irrespective of whether or not the Council has been able to recover any of the Charges from the occupiers of the Unmeasured Premises.

2.5 Where the Provider wishes to alter the Tariffs with effect from the first day of April in any year, it shall notify the Council as soon as reasonably practicable of any alteration to the Tariffs that has been approved by the Water Services Regulation Authority ("Ofwat")."

3.6 The heading "3. Allowances and Reductions", and Clauses 3.1 and 3.2 of the Agreement shall be deleted and replaced with the following:

"3. Voids and Commission

- 3.1 The total Charges will be reduced by [REDACTED] in recognition of the fact that in any given year a number of the Unmeasured Premises are likely to be unoccupied for a period of less than three months ("the Voids Allowance").
- 3.2 The Provider shall pay to the Council a sum equal to [REDACTED] of the Charges net of the Voids Allowance in respect of the Council's commission (the "Commission").
- 3.3 The Commission constitutes payment for the Council's services pursuant to this Agreement, in light of the administrative costs of collection of the Provider's Charges and the Council's assumption of the risk of non-payment by occupiers.

3.7 Clause 4 of the Agreement shall be deleted and replaced with the following:

"4 Payment Terms

- 4.1 As soon as reasonably practicable after its notification pursuant to sub-clause 2.5 the Provider shall:
- (a) send the Council an invoice in respect of the sums payable pursuant to sub-clause 2.1 (the "Provider's Invoice");
 - (b) notify the Council in writing of the Commission payable in respect of that financial year; and
 - (c) provide details of the instalments plan pursuant to sub-clause 4.3.
- 4.2 On or before the 1st day of the months from April to January, the Council shall send the Provider an invoice in respect of the Commission for the month specified in the invoice, including the VAT payable on the Commission (the "Council's Invoice").
- 4.3 Subject to sub-clause 4.4, the Charges net of the Voids Allowance will be payable in 10 equal instalments on the 15th day of each month, for the months of April through to January (the "Payment Dates").

- 4.4 If the Provider's Invoice is not received before the first day of April then in respect of that financial year:
- (a) the Council shall provide the Council's Invoices in respect of the months prior to and including the month in which the Provider's Invoice is received within 7 days of receipt of the Provider's Invoice, and
 - (b) the net Charges payable in respect of the months prior to and including the month in which the Provider's Invoice is received shall be due on the fifteenth day after the date on which the Provider's Invoice is received.
- 4.5 The Council's Invoices shall be payable by the Provider within 60 days of the end of the calendar month in which they are sent to the Provider.
- 4.6 Where a Payment Date is a Saturday or Sunday, payment shall be made on the immediately preceding Friday.
- 4.7 If payment is not received by any of the Payment Dates, then the receiving party may, on giving written notice to the other, apply interest on the overdue amount from day to day at a rate of 2% above the base lending rate of National Westminster Bank plc."
- 3.8 The Council's address in the heading of the Agreement shall be amended to 160 Tooley Street, London SE1 2QH.
- 3.9 The Agreement as varied in accordance with this Deed appears at the Annex to this Deed.
4. Save as contained in this Deed the conditions contained in the Agreement remain in full force and effect.
5. The Agreement and this Deed shall be read and construed as one document.

6. In the event of any conflict between this Deed and the Agreement, the provisions of this Deed shall prevail.
7. Both parties agree that the courts of England and Wales shall have exclusive jurisdiction to hear and settle any action, suit, proceedings or dispute in connection with this Deed and irrevocably submit to the jurisdiction of those courts.
8. It is agreed between the parties that this Deed shall not and the parties to this Deed do not intend to confer any benefit upon any third party which is enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999.

9.1 This deed may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

9.2 Transmission of an executed counterpart of this agreement (but for the avoidance of doubt not just a signature page) by (a) fax or (b) e-mail (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of this agreement. If either method of delivery is adopted, without prejudice to the validity of the agreement thus made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter.

IN WITNESS whereof the parties hereto have hereunto executed this Agreement as a Deed
the day and year first before written

Executed as a Deed by **THAMES
WATER UTILITIES LIMITED** in the
presence of:

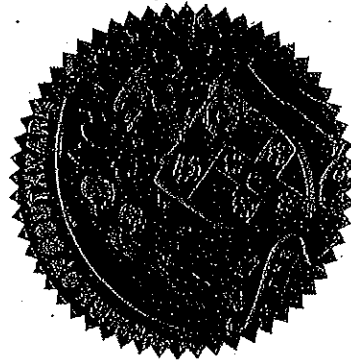
.....
Director

.....
Director/Secretary

The Common Seal of
**THE MAYOR AND BURGESSES
OF THE LONDON BOROUGH OF
SOUTHWARK** was here - unto
affixed to this Deed by order of the
Council:- *N. B. COOMBE*

Authorised Signatory

N. B. Coombe



19656

ANNEX: AGREEMENT AS AMENDED

THIS AGREEMENT is made the 6th day of March 2000

BETWEEN THAMES WATER UTILITIES LIMITED ("the Provider") whose registered office is at Gainsborough House, Manor Farm Road, Reading, RG2 0JN and **SOUTHWARK COUNCIL** ("the Council") whose principal office is at 160 Tooley Street, London SE1 2QH.

WHEREAS

- (1) The Council is a Local Housing Authority within the meaning of the Housing Act 1985.
- (2) The Provider is a water and sewerage undertaker within the meaning of the Water Industry Act 1991 ("the Act") and provides water and sewerage services ("the Services") to premises ("the Premises") managed by the Council in its capacity as Local Housing Authority.
- (3) The Council and the Provider have agreed that the Council will collect the Provider's charges for the Services on behalf of the Provider on the terms set out in this Agreement.

IT IS AGREED AS FOLLOWS:

1. Premises Affected
 - 1.1 THIS Agreement covers all of the Premises where the water supply given by the Provider is not measured by a meter ("the Unmeasured Premises").
2. Liability for Charges
 - 2.1 THE Council shall pay for all of the Provider's charges ("the Charges") in respect of the Services provided to the occupiers of the Unmeasured Premises less the Voids Allowance to which the Council is entitled under sub-clause 3.1.
 - 2.2 THE Charges will be raised by applying the relevant tariffs ("the Tariffs") for the Services.

2.3 THE Tariffs will be those that are in force at the relevant time by virtue of inclusion in Charges Schemes made by the Provider under Section 143 of the Act (or any subsequent change to that provision).

2.4 For the avoidance of doubt:

- (a) the Council shall collect the Charges from the occupiers of the Unmeasured Premises as agent for the Provider;
- (b) the Charges collected from the occupiers of the Unmeasured Premises shall be the amounts fixed by the Provider by applying the Tariffs and notified to the Council by the Provider;
- (c) the Council will remain liable to pay the Charges to the Provider as set out in Clause 4 irrespective of whether or not the Council has been able to recover any of the Charges from the occupiers of the Unmeasured Premises.

2.5 Where the Provider wishes to alter the Tariffs with effect from the first day of April in any year, it shall notify the Council as soon as reasonably practicable of any alteration to the Tariffs that has been approved by the Water Services Regulation Authority ("Ofwat").

3. Voids and Commission

3.1 The total Charges will be reduced by [REDACTED] in recognition of the fact that in any given year a number of the Unmeasured Premises are likely to be unoccupied for a period of less than three months ("the Voids Allowance").

3.2 The Provider shall pay to the Council a sum equal to [REDACTED] of the Charges net of the Voids Allowance in respect of the Council's commission.

3.3 The Commission constitutes payment for the Council's services pursuant to this Agreement, in light of the administrative costs of collection of the Provider's Charges and the Council's assumption of the risk of non-payment by occupiers.

4. Payment Terms

4.1 As soon as reasonably practicable after its notification pursuant to sub-clause 2.5 the Provider shall:

- (a) send the Council an invoice in respect of the sums payable pursuant to sub-clause 2.1 (the "Provider's Invoice");
 - (b) notify the Council in writing of the Commission payable in respect of that financial year; and
 - (c) provide details of the instalments plan pursuant to sub-clause 4.3.
- 4.2 On or before the 1st day of the months from April to January, the Council shall send the Provider an invoice in respect of the Commission for the month specified in the invoice, including the VAT payable on the Commission (the "Council's Invoice").
- 4.3 Subject to sub-clause 4.4 the Charges net of the Voids Allowance will be payable in 10 equal instalments on the 15th day of each month, for the months of April through to January (the "Payment Dates").
- 4.4 If the Provider's Invoice is not received before the first day of April then in respect of that financial year:
- (a) the Council shall provide the Council's Invoices in respect of the months prior to and including the month in which the Provider's Invoice is received within 7 days of receipt of the Provider's Invoice, and
 - (b) the net Charges payable in respect of the months prior to and including the month in which the Provider's Invoice is received shall be due on the fifteenth day after the date on which the Provider's Invoice is received.
- 4.5 The Council's Invoices shall be payable by the Provider within 60 days of the end of the calendar month in which they are sent to the Provider:
- 4.6 Where a Payment Date is a Saturday or Sunday, payment shall be made on the immediately preceding Friday.
- 4.7 If payment is not received by any of the Payment Dates, then the receiving party may, on giving written notice to the other, apply interest on the overdue amount from day to day at a rate of 2% above the base lending rate of National Westminster Bank plc.

5. Information

THE Council shall give to the Provider the following information ("the Information"):

- (a) a monthly list of Long Term voids, defined as Unmeasured Premises that have remained unoccupied for a continuous period of three calendar months or more, specifying in the case of each one the period during which it has remained unoccupied; and
- (b) a list of additional Unmeasured Premises acquired and/or disposed of by the Council. This list shall be provided regularly at times convenient to the Council PROVIDED ALWAYS that the Provider shall be advised as soon as is reasonably practicable when there has been a Significant Stock Movement. A Significant Stock Movement occurs when more than two hundred and fifty Unmeasured Premises have been acquired and/or disposed of since the last list given to the Provider under this paragraph.

6. End of Year Reconciliation

- 6.1 THE Provider will use all of the Information given before the fifteenth day of December in any year to generate an end of year reconciliation ("the Reconciliation"). The Reconciliation will show any amendments that need to be made to the Charges shown in the Invoice already submitted for that year.
- 6.2 SUBJECT to Clause 6.3 a copy of the Reconciliation will be provided to the Council before the Invoice for the following financial year and the total payment due under that Invoice will be amended accordingly.
- 6.3 WHERE the Provider has been advised of a Significant Stock Movement before the final Payment Date in any financial year, the Provider will submit an amended invoice ("the Amended Invoice") to the Council for that financial year.
- 6.4 THE Amended Invoice will show the amounts due for the remaining Payment Dates in that financial year and shall otherwise be subject to the provisions of Clause 4.3, 4.4 and 4.5 of this Agreement.
- 6.5 WHERE the Provider has been advised of a "Significant Stock Movement" after the final Payment Date in any financial year any changes will be taken in the next Reconciliation due under this Agreement.

7. Duration of Agreement

7.1 THIS Agreement will commence on the first day of April 2000 and will continue for a minimum period of 5 years ("the Minimum Period").

7.2 THIS Agreement may be terminated by either party giving to the other a minimum of six months notice in writing to expire at any time after the completion of the Minimum Period.

7.3 IF this Agreement is terminated under Clause 7.2:

(a) the Council will send to the Provider a list of all of the Unmeasured Premises together with the occupiers names; and

(b) the Provider will send a final Reconciliation to the Council together with any payment to which the Council may be entitled. However, if the final Reconciliation shows a final payment due to the Provider, a final invoice ("the Final Invoice") will also be included.

7.4 THE Final Invoice shall be paid by the Council within twenty eight days of receipt and shall otherwise be subject to the provisions of Clause 4.3, 4.4 and 4.5 of this Agreement.

8. Confidentiality

NEITHER party will disclose to any third party details of this Agreement without the prior written consent of the other except where they are bound to disclose under compulsion of law or where requested by regulatory agencies.

9. Law

9.1 THIS Agreement shall be governed and construed in accordance with the laws of England and any dispute or difference arising hereunder shall be subject to the jurisdiction of the English courts.

9.2 NOTHING in this Agreement shall in any way prejudice or exclude the exercise by the Provider of any of its statutory or common law rights and powers arising otherwise than by virtue of this Agreement.

Signed:

Position:

for Thames Water Utilities Limited for:

Dated:

Signed:

Position:

Dated:

Dated 23rd day of July 2013

BETWEEN:

THAMES WATER UTILITIES LIMITED

— and —

THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK

DEED OF CLARIFICATION AND AMENDMENT

Doreen Forrester-Brown
Director of Legal Services
London Borough of Southwark
Legal Services

PO Box 64529
London SE1P 5LX

160 Tooley Street
London SE1 2QH

THIS DEED OF CLARIFICATION AND AMENDMENT is made the 23rd day of July 2013

PARTIES:

- (1) THAMES WATER UTILITIES LIMITED ("the Provider") whose company number is 02366661 and whose registered office is at Clearwater Court, Vastern Road, Reading, RG1 8DB and
- (2) THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF SOUTHWARK ("the Council") whose principal office is 160 Tooley Street, London SE1 2QH

each a "Party" and together the "Parties".

WHEREAS:

- A. The Council is a Local Housing Authority within the meaning of the Housing Act 1985 ("the HA 85") and in the course of its responsibilities as a Local Housing Authority lets residential accommodation within the local government area for which it is responsible pursuant to tenancy agreements and licences.
- B. Pursuant to ss.142 and 143 of the Water Industry Act 1991 ("the WIA 91") the Provider has power to charge Consumers (as defined in s.150B of the WIA 91) for the supply of water and the provision of sewerage services ("the Services").
- C. The Parties entered into an agreement dated 6 March 2000 ("the Agreement") recording arrangements for the payment of charges due to the Provider for the Provider's Services to the occupants of certain premises owned, managed and let by the Council. The Provider and the Council wish to clarify and amend the Agreement as set out in this Deed.

NOW IT IS HEREBY AGREED AND DECLARED AS FOLLOWS:

1. Definitions

The words and phrases defined in the Agreement shall, where the context so admits, have the same meanings in this Deed.

2. Clarification

In order to clarify the Parties' common intention at the time of entering into the Agreement, the Parties confirm as follows:

- 2.1 The Council is empowered by the Water Consolidation (Consequential Provisions) Act 1991 ("WC(CP)A 91"), Schedule 1, paragraph 20 to enter into agreements for the collection and recovery by the Council on behalf of the Provider of the charges fixed by the Provider for the Services (the "Charges"). The Council entered into the Agreement, and enters into this Deed, pursuant to its said powers under the WC(CP)A 91.
- 2.2 The Council is not a Water Re-seller for the purposes of the Water Resale Order 2001 and the Water Resale Order 2006 or any Order or Statutory Instrument replacing or superseding the Water Resale Orders.
- 2.3 The Council acts as the Provider's agent for the recovery of the Charges in respect of the Unmeasured Premises (save where the Parties agree that the Provider will recover such Charges directly from any occupier of the Unmeasured Premises).
- 2.4 The Council is and will remain liable to the Provider for payment of the Charges, irrespective of whether or not the Council is or has been able to obtain any payment from any occupiers of the Unmeasured Premises in relation to the Services.
- 2.5 The commission payable by the Provider to the Council pursuant to Clause 3 of the Agreement constitutes payment for the Council's services pursuant to the Agreement, in light of the administrative costs of collection of the Provider's Charges and the Council's assumption of the risk of non-payment by occupiers.

3. Variation

- 3.1 The Agreement shall be varied so that all references to the "Customer" in the Agreement shall be replaced by references to the "Council".
- 3.2 Recital (3) of the Agreement shall be deleted and replaced by the following:

"(3) The Council and the Provider have agreed that the Council will collect the Provider's charges for the Services on behalf of the Provider on the terms set out in this Agreement."

3.3 In sub-clause 2.1 of the Agreement the words "to the occupiers of" shall be added after the word "provided" and the words "less the Voids Allowance to which the Council is entitled under sub-clause 3.1" shall be added to the end of the sub-clause.

3.4 In sub-clause 2.2 of the Agreement, the words ", less the allowances and reductions to which the Customer is entitled under Clause 3" shall be deleted.

3.5 The following sub-clauses shall be added to Clause 2 of the Agreement:

- "2.4 (a) the Council shall collect the Charges from the occupiers of the Unmeasured Premises as agent for the Provider;
- (b) the Charges collected from the occupiers of the Unmeasured Premises shall be the amounts fixed by the Provider by applying the Tariffs and notified to the Council by the Provider;
- (c) the Council will remain liable to pay the Charges to the Provider as set out in Clause 4 irrespective of whether or not the Council has been able to recover any of the Charges from the occupiers of the Unmeasured Premises.

2.5 Where the Provider wishes to alter the Tariffs with effect from the first day of April in any year, it shall notify the Council as soon as reasonably practicable of any alteration to the Tariffs that has been approved by the Water Services Regulation Authority ("Ofwat")."

3.6 The heading "3. Allowances and Reductions", and Clauses 3.1 and 3.2 of the Agreement shall be deleted and replaced with the following:

"3. Voids and Commission

- 3.1 The total Charges will be reduced by [REDACTED] in recognition of the fact that in any given year a number of the Unmeasured Premises are likely to be unoccupied for a period of less than three months ("the Voids Allowance").
- 3.2 The Provider shall pay to the Council a sum equal to [REDACTED] of the Charges net of the Voids Allowance in respect of the Council's commission (the "Commission").
- 3.3 The Commission constitutes payment for the Council's services pursuant to this Agreement, in light of the administrative costs of collection of the Provider's Charges and the Council's assumption of the risk of non-payment by occupiers.

3.7 Clause 4 of the Agreement shall be deleted and replaced with the following:

"4 Payment Terms

- 4.1 As soon as reasonably practicable after its notification pursuant to sub-clause 2.5 the Provider shall:
- (a) send the Council an invoice in respect of the sums payable pursuant to sub-clause 2.1 (the "Provider's Invoice");
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- 4.3 Subject to sub-clause 4.4, the Charges net of the Voids Allowance will be payable in 10 equal instalments on the 15th day of each month, for the months of April through to January (the "Payment Dates").

4.4 If the Provider's Invoice is not received before the first day of April then in respect of that financial year:

- (a) the Council shall provide the Council's Invoices in respect of the months prior to and including the month in which the Provider's Invoice is received within 7 days of receipt of the Provider's Invoice, and
- (b) the net Charges payable in respect of the months prior to and including the month in which the Provider's Invoice is received shall be due on the fifteenth day after the date on which the Provider's Invoice is received.

4.5 The Council's Invoices shall be payable by the Provider within 60 days of the end of the calendar month in which they are sent to the Provider.

4.6 Where a Payment Date is a Saturday or Sunday, payment shall be made on the immediately preceding Friday.

4.7 If payment is not received by any of the Payment Dates, then the receiving party may, on giving written notice to the other, apply interest on the overdue amount from day to day at a rate of 2% above the base lending rate of National Westminster Bank plc."

3.8 The Council's address in the heading of the Agreement shall be amended to 160 Tooley Street, London SE1 2QH.

3.9 The Agreement as varied in accordance with this Deed appears at the Annex to this Deed.

4. Save as contained in this Deed the conditions contained in the Agreement remain in full force and effect.

5. The Agreement and this Deed shall be read and construed as one document.

6. In the event of any conflict between this Deed and the Agreement, the provisions of this Deed shall prevail.

7. Both parties agree that the courts of England and Wales shall have exclusive jurisdiction to hear and settle any action, suit, proceedings or dispute in connection with this Deed and irrevocably submit to the jurisdiction of those courts.

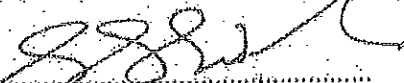
8. It is agreed between the parties that this Deed shall not and the parties to this Deed do not intend to confer any benefit upon any third party which is enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999.

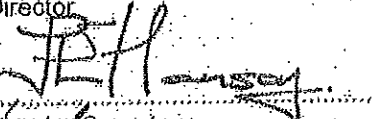
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IN WITNESS whereof the parties hereto have hereunto executed this Agreement as a Deed the day and year first before written

Executed as a Deed by THAMES
WATER UTILITIES LIMITED in the
presence of:


.....
Director


.....
Director/Secretary

The Common Seal of
THE MAYOR AND BURGESSES
OF THE LONDON BOROUGH OF
SOUTHWARK was here - unto
affixed to this Deed by order of the
Council:-

Authorised Signatory

ANNEX: AGREEMENT AS AMENDED

THIS AGREEMENT is made the 6th day of March 2000
BETWEEN THAMES WATER UTILITIES LIMITED ("the Provider") whose registered
office is at Galinsborough House, Manor Farm Road, Reading, RG2 0JN and
SOUTHWARK COUNCIL ("the Council") whose principal office is at 160 Tooley Street,
London SE1 2QH.

WHEREAS

- (1) The Council is a Local Housing Authority within the meaning of the Housing Act 1985.
- (2) The Provider is a water and sewerage undertaker within the meaning of the Water Industry Act 1991 ("the Act") and provides water and sewerage services ("the Services") to premises ("the Premises") managed by the Council in its capacity as Local Housing Authority.
- (3) The Council and the Provider have agreed that the Council will collect the Provider's charges for the Services on behalf of the Provider on the terms set out in this Agreement.

IT IS AGREED AS FOLLOWS:

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2. Liability for Charges
 - 2.1 THE Council shall pay for all of the Provider's charges ("the Charges") in respect of the Services provided to the occupiers of the Unmeasured Premises less the Voids Allowance to which the Council is entitled under sub-clause 3.1.
 - 2.2 THE Charges will be raised by applying the relevant tariffs ("the Tariffs") for the Services.

2.3. THE Tariffs will be those that are in force at the relevant time by virtue of inclusion in Charges Schemes made by the Provider under Section 143 of the Act (or any subsequent change to that provision).

2.4. For the avoidance of doubt:

- (a) the Council shall collect the Charges from the occupiers of the Unmeasured Premises as agent for the Provider;
- (b) the Charges collected from the occupiers of the Unmeasured Premises shall be the amounts fixed by the Provider by applying the Tariffs and notified to the Council by the Provider;
- (c) the Council will remain liable to pay the Charges to the Provider as set out in Clause 4 irrespective of whether or not the Council has been able to recover any of the Charges from the occupiers of the Unmeasured Premises.

2.5. Where the Provider wishes to alter the Tariffs with effect from the first day of April in any year, it shall notify the Council as soon as reasonably practicable of any alteration to the Tariffs that has been approved by the Water Services Regulation Authority ("Ofwat").

3. Voids and Commission

3.1. The total Charges will be reduced by [REDACTED] in recognition of the fact that in any given year a number of the Unmeasured Premises are likely to be unoccupied for a period of less than three months ("the Voids Allowance")

3.2. The Provider shall pay to the Council a sum equal to [REDACTED] of the Charges net of the Voids Allowance in respect of the Council's commission.

3.3. The Commission constitutes payment for the Council's services pursuant to this Agreement, in light of the administrative costs of collection of the Provider's Charges and the Council's assumption of the risk of non-payment by occupiers.

4. Payment Terms

4.1. As soon as reasonably practicable after its notification pursuant to sub-clause 2.5 the Provider shall:

- (a) send the Council an invoice in respect of the sums payable pursuant to sub-clause 2.1 (the "Provider's Invoice");
 - (b) notify the Council in writing of the Commission payable in respect of that financial year; and
 - (c) provide details of the instalments plan pursuant to sub-clause 4.3.
- 4.2 On or before the 1st day of the months from April to January, the Council shall send the Provider an invoice in respect of the Commission for the month specified in the invoice, including the VAT payable on the Commission (the "Council's Invoice").
- 4.3 Subject to sub-clause 4.4 the Charges net of the Voids Allowance will be payable in 10 equal instalments on the 15th day of each month, for the months of April through to January (the "Payment Dates").
- 4.4 If the Provider's Invoice is not received before the first day of April then in respect of that financial year:
- (a) the Council shall provide the Council's Invoices in respect of the months prior to and including the month in which the Provider's Invoice is received within 7 days of receipt of the Provider's Invoice, and
 - (b) the net Charges payable in respect of the months prior to and including the month in which the Provider's Invoice is received shall be due on the fifteenth day after the date on which the Provider's Invoice is received.
- 4.5 The Council's Invoices shall be payable by the Provider within 60 days of the end of the calendar month in which they are sent to the Provider.
- 4.6 Where a Payment Date is a Saturday or Sunday, payment shall be made on the immediately preceding Friday.
- 4.7 If payment is not received by any of the Payment Dates, then the receiving party may, on giving written notice to the other, apply interest on the overdue amount from day to day at a rate of 2% above the base lending rate of National Westminster Bank plc.

5. Information

THE Council shall give to the Provider the following information ("the Information"):

(a) a monthly list of Long Term voids, defined as Unmeasured Premises that have remained unoccupied for a continuous period of three calendar months or more, specifying in the case of each one the period during which it has remained unoccupied; and

(b) a list of additional Unmeasured Premises acquired and/or disposed of by the Council. This list shall be provided regularly at times convenient to the Council PROVIDED ALWAYS that the Provider shall be advised as soon as is reasonably practicable when there has been a Significant Stock Movement. A Significant Stock Movement occurs when more than two hundred and fifty Unmeasured Premises have been acquired and/or disposed of since the last list given to the Provider under this paragraph.

6. End of Year Reconciliation

6.1 THE Provider will use all of the information given before the fifteenth day of December in any year to generate an end of year reconciliation ("the Reconciliation"). The Reconciliation will show any amendments that need to be made to the Charges shown in the Invoice already submitted for that year.

6.2 SUBJECT to Clause 6.3 a copy of the Reconciliation will be provided to the Council before the Invoice for the following financial year and the total payment due under that Invoice will be amended accordingly.

6.3 WHERE the Provider has been advised of a Significant Stock Movement before the final Payment Date in any financial year, the Provider will submit an amended invoice ("the Amended Invoice") to the Council for that financial year.

6.4 THE Amended Invoice will show the amounts due for the remaining Payment Dates in that financial year and shall otherwise be subject to the provisions of Clause 4.3, 4.4 and 4.5 of this Agreement.

6.5 WHERE the Provider has been advised of a "Significant Stock Movement" after the final Payment Date in any financial year any changes will be taken in the next Reconciliation due under this Agreement.

7. Duration of Agreement

7.1 THIS Agreement will commence on the first day of April 2000 and will continue for a minimum period of 5 years ("the Minimum Period").

7.2 THIS Agreement may be terminated by either party giving to the other a minimum of six months notice in writing to expire at any time after the completion of the Minimum Period.

7.3 IF this Agreement is terminated under Clause 7.2:

- (a) the Council will send to the Provider a list of all of the Unmeasured Premises together with the occupiers names; and
- (b) the Provider will send a final Reconciliation to the Council together with any payment to which the Council may be entitled. However, if the final Reconciliation shows a final payment due to the Provider, a final invoice ("the Final Invoice") will also be included.

7.4 THE Final Invoice shall be paid by the Council within twenty eight days of receipt and shall otherwise be subject to the provisions of Clause 4.3, 4.4 and 4.5 of this Agreement.

8. Confidentiality

NEITHER party will disclose to any third party details of this Agreement without the prior written consent of the other except where they are bound to disclose under compulsion of law or where requested by regulatory agencies.

9. Law

9.1 THIS Agreement shall be governed and construed in accordance with the laws of England and any dispute or difference arising hereunder shall be subject to the jurisdiction of the English courts.

9.2 NOTHING in this Agreement shall in any way prejudice or exclude the exercise by the Provider of any of its statutory or common law rights and powers arising otherwise than by virtue of this Agreement.

Signed:
Position:
for Thames Water Utilities Limited for;
Dated:

Signed:
Position:
Dated:

(ref: 20110802 DeedofClarification.doc)