



## Self-Supply Users Forum

8 September 2022

Waterscan convened the Autumn Self-Supply Users Forum with representatives from Ofwat, MOSL and the Strategic Panel in September.

“ The industry has done well to secure business water supplies this summer, but we need three wet winters to recover. ”

**Neil Pendle**  
Chair, Self-Supply Users Forum

### Key Takeaways:

1. Water efficiency is steadily rising up the industry agenda after drought conditions.
2. Self-Supply's market performance score is 99%; higher than all other trading parties.
3. The Wholesaler-Retailer bilateral hub is having a demonstrably positive impact on market efficiency.
4. Negative price impacts are to be anticipated in 2023 and beyond.

### Summary



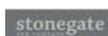
In a quarter that has seen a public focus on water like no other, September's meeting heard from various parties on how water efficiency is being incorporated into forward plans and priorities.

Non-household customers will be expected to drive down their consumption and they should also anticipate price impacts in the short term. Self-Supply businesses are already well equipped with the necessary data and lead on insight to deal with any new requirements.

The community continues to lead water market performance.



Attendees:



New efficiency targets call for a

**20%**

reduction in consumption by 2037



## Water Efficiency

Prior to market opening, responsibility for efficiency sat with Wholesalers. Activity was negligible because even minor interventions were deemed cost prohibitive.

Post-market opening, these problems persist. There are very limited Retailer-led opportunities to drive down consumption because it is difficult for them to deliver across a diverse national estate. At Wholesale level, there are a few examples of water efficiency trials and schemes but little progress. A fundamental barrier has been a focus on domestic use, with per capita consumption targets.

There is now a positive step change, driven by the Environment Act and a Defra consultation, which has created a mandate for action at all levels – and with this, potential funding.

New efficiency targets call for a 20% reduction in consumption by 2037, measured by direct input rather than per capita consumption. 9% of this will be achieved by reducing non-household consumption and 31% by stemming leaks.



## Unplanned Incidents

Waterscan is working with all Wholesalers to improve the efficiency and targeting of incident notifications to businesses. It was noted that it is difficult to proactively help customers when communication from Wholesalers comes after incidents are reported on national news.

Securing an efficient process should ensure that notifications are received and actioned promptly allowing for all affected premises to manage and adapt to the situation until it has passed.



“ We are seeing an increased appetite from Wholesalers to explore options to strive for better performance across the board. ”

**Nick Hayes**

Commercial Director, Waterscan



## Wholesaler Update

Regular Wholesaler engagement meetings have achieved positive outcomes on consolidated billing, post reconciliation refunds, event and incident management and data sharing.

New holistic reporting is giving transparency on comparative trading party performance. This will hold Wholesalers to account and help identify opportunities for further positive customer outcomes.

Moving to consolidated billing has been a primary focus during 2022, an approach that has now been adopted by a good proportion of Wholesalers. This will make the monthly settlement process much easier for all Self-Supply businesses.

## Commercial Update

Data accuracy continues to be

**100%**

- Self-Supply customers combined reported a rolling 12 month market performance score of 99.09% which compares very favourably to the big five retailers at 91.27%.
- Data accuracy continues to be 100%.
- Over 4,000 customer invoices and credit notes p/a are validated now. The bilateral market hub has improved the process of working with Wholesalers to resolve any issues arising.
- The Self-Supply community R-Mex report input has been submitted, following comprehensive coordination across the whole commercial team.

## Operations Update

Long unread meters continue to be market-leading, at just 0.95% (approximately 100 meters across the whole Self-Supply community). In most cases, these require action from Wholesalers through bilateral resolution.

AMR rollout continues. There are now 763 loggers in the ground, 97.5% of which are communicating consistently.

Proactive water audit activity continues as planned.



## MOSL Business Plan

The market operator reviewed its activity, highlighting: saving costs of core services through insourcing and technology, overhauling market governance, delivering a bilateral transactions hub and launching a market improvement fund. It acknowledged other market issues are unresolved.

Its forward business plan comprises a detailed 12 month plan for core service delivery and a 24 month plan to advance the market. Trading party engagement to commence in Nov 22, with a formal consultation in Jan 23.



## Price Review 24

The Ofwat draft methodology for PR24 (Price Review 24) was published in July. This framework will regulate the service that water companies must deliver for customers, the environment and society, between 2025 and 2030, as well as their charges to do so.

### Key inclusions:

- A common water company performance commitment, BR-MeX (a combination of Retailer and Business Measures of Experience).
- The introduction of a Business Demand reduction target alongside Per Capita Consumption and leakage targets.
- The elevation of environmental impacts, with proposals for more market-based regulation of bioresources and operational greenhouse gas emissions for water.

The final methodology is due Dec 22, followed by Wholesaler plans in Oct 23.

## Price Increases

Businesses are advised that significant price impacts are expected in 2023. Waterscan is drawing up an impact assessment for Self-Supply customers. This will be shared in Dec 22.

## Strategic Panel Priorities

Self-Supply customers' input into consultation has been of great benefit.

Priorities confirmed: value creation, customer service excellence and water efficiency.

Innovation and engagement are essential tools to deliver these.

