



Self-Supply Users Forum

1 December 2022

Ofwat, MOSL, the Strategic Panel and the Environment Agency joined Self-Supply retailers for its December Forum. Boots was welcomed to the Self-Supply community.

“ Self-Supply has delivered outstanding market performance standards in 2022 and we continue to drive improvements across the market. Collaboration is a key part of our program for 2023. ”

Neil Pendle
Chair, Self-Supply Users Forum

Key Takeaways:

1. Self-Supply performance remains constant at >99% MPS score, assisted by improved Wholesaler collaboration.
2. 20% of bilateral jobs are not being completed by Wholesalers within agreed SLA timeframes.
3. Now with >22,000 SPIDs in the Self-Supply market, it's time to scale and accelerate water efficiency activities.
4. Going into winter with temporary use bans in place highlights extreme ongoing water stress.

Summary



The final session of 2022 offered time to both reflect on progress over the past year and look ahead. Ofwat, The Water Report and the Strategic Panel outlined their findings and opinions on market engagement and performance to date. MOSL then detailed how it plans to prioritise activities and budget for the best market outcomes in 2023/24. The Environment Agency too, reflected on a year of extreme water stress and emphasised the need for greater water efficiency in the face of a troubling outlook for the U.K.'s water levels.



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Mirena Hadzhigenov, Senior Associate at Ofwat presented high level findings from its fifth State of the Market Report, revealing that overall customer awareness, engagement and satisfaction were broadly unchanged since the last reporting cycle.

Larger companies that were trading pre-deregulation are more likely to be active in the market, motivated primarily by a desire to avoid supply interruptions. Price has become a significantly higher priority for these customers too, whereas concern for water efficiency has decreased.

Incumbent suppliers continue to have majority market share at 93% of supply points but this is slowly eroding.

Impediments to progress remain threefold: data quality, Wholesaler performance and wholesale-retail interactions, despite efforts to smooth these out. Ofwat urges all market participants to drive progress on these matters, although it was noted that Self-Supply market data could not be further improved.

The vast difference between good and bad Wholesaler performance was also acknowledged.



Karma Loveday, Editor at The Water Report / Water Advisor to MEUC, gave her independent view, suggesting that, with the exception of Self-Supply, the water market presents a static, uninspiring picture. For small business customers, it is largely irrelevant, and large businesses want high quality basics (accurate bills, reliable and frequent meter reads, service on a par with comparable industries) above all else.

She noted that customers are facing a 'near perfect storm': a water deficit, incoming quality targets, new green expectations and cost pressures, all at a time when trust in the water sector is at an all-time low.



“Waterscan and the Self-Supply community must not only continue to lead the market in water efficiency and innovation in the face of water scarcity but work to bring the rest of the market with us on this journey.”

Barry Millar
Operations Director at Waterscan



Steve Formoy, Finance Director at MOSL updated the forum on its 2023/24 business plan and its likely impact on market operator charges to Self-Supply trading parties.

Within this, he detailed how MOSL suggests prioritising activity. He highlighted market performance framework reform, a strategic metering programme and CMOS system modernisation as the three workflows with the strongest business case for the short-term.

All Self-Supply retailers are obligated to respond to the consultation on this plan in January, and to vote on the proposal in February.

Trisha McAuley, Head of The Strategic Panel commented that the focus needs to be on what all parties are going to do about making the market more inspiring to engage with. “If it isn’t working in the way that it was intended, why isn’t it? What should the focus be?” she said.

She advised that the Panel wants to see ways to encourage more people into the market and to enable those trading parties that offer good service, to thrive.

Further, the Panel wants to shift the dial on water efficiency, and this is all about collaboration. She highlighted that the Panel is keen to work in partnership with Ofwat on solution design.



Stuart Sampson, Environment and Business Water Resources Manager at the Environment Agency spoke about drought and long-term planning for water resilience. He highlighted how drought patterns and impacts vary dramatically across regions and sectors and that pressures will exacerbate as the U.K. transitions towards a hydrogen economy and embraces new carbon capture and storage principles.

The 2022 drought has heightened focus on water resource resilience. It is unprecedented for the U.K. to be going into winter with temporary use bans still in place. Almost all Wholesalers have published their updated Water Resource Management Plans setting out how they intend to secure supply for water customers and protect and enhance the environment in the long-term.