

# Open Water Market – The Opportunity For The Public Sector

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# Open Water Market

- Market Opened 1<sup>st</sup> April 2017 and 1.2m eligible businesses can now choose their retailer of water and wastewater services
- Licensed retailers now buy wholesale water services – the physical supply of water and the removal of wastewater – from the regional water companies
- The retailers package these water services with other services and compete for customers.



# The Benefits of an Open Water Market

- Better value for money - lowering bills and charges
- Improving the customer service you get
- Tailored services for your company – such as consolidated billing
- Help to become a more water efficient business

# Open Water Market – Across the UK

- England joined Scotland where the market opened in 2008
- The market is not open for business customers in Wales unless they use more than 50 million litres of water per year
- Larger organisations with multiple sites may decide to become a self-supply licensee

# What Happened Next

- 50 retail licenses have been granted since market opening, these include;
  - Independent retailers divested from wholesalers
  - Joint ventures between wholesalers
  - Acquisition by existing Scottish retailers
  - New entrants
  - Non operational and self-supply
- Around 19 retailers are actively trading today

# The First Two Years

According to the market operator MOSL by the end of January 2019

- 210,732 supply points (SPID's) or 7.9% of those in the market had switched
- This represents 16% in terms of total market consumption
- Over 90% of eligible businesses have not engaged in the market
  - Low awareness
  - Low margins therefore saving
  - Low business priority

# Businesses that have not engaged

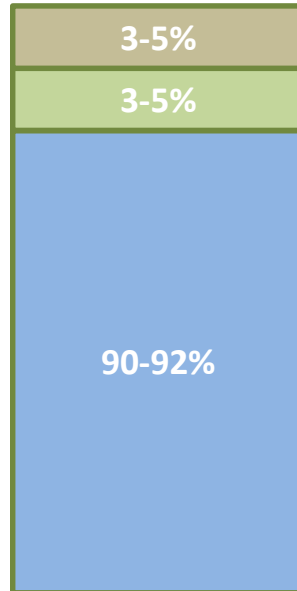
- Will likely be **paying higher** default retail tariffs
- May have **separate bills** for water and wastewater
- May be **paying in advance** for water and wastewater services
- May **not** be **simplifying administration** – bespoke billing, online services
- May **not** be **receiving the level of customer service** they want and need
- May **not** be **taking advantage of additional services** to manage and reduce consumption

# Retail & Wholesale Tariffs

Default Retail Tariff

Negotiated Tariff

Wholesale Tariff



Retail Margin

- Meter Reading
- Billing Services
- Funding Wholesale Costs
- Account Management
- Additional Services

Wholesale Cost

- Water Quality & Supply
- Wastewater Treatment
- Maintain Pipe Networks.



# Account Management Services

- Dedicated Key Account Management – available and responsive
- Flexible and timely support to changes in estate profile
- Guaranteed response times for key service requests
- Bespoke billing requirements – variable frequency, consolidation and format
- Online Account Management – ability to view group balances, current and historical bills, consumption, enter meter reads etc.
- Project Management support for meter optimisation and replacement
- Management of trade effluent licencing and billing requirements

# Additional Services - Sustainability

The best way to reduce cost is to reduce consumption, examples include;

- Installing AMR on high volume sites to identify and isolate constant flow
- Sharing sector benchmarking data and best practice on consumption
- Monitoring consumption patterns to quickly identify system leakage
- Site water audits to identify opportunities to invest, providing clear guidance on return on investment
- Bespoke site water supply contingency planning
- Behaviour change campaigns to engage staff, students and visitors

# The Open Market still offers an opportunity

- Are you still on default retail tariffs? – wholesale plus tariffs give transparency.
- Think about the level of account management you require now, and may require in the future, are any issues being quickly resolved?
- Do you have your billing in a frequency and format with account management tools that simplify your administrative burden?
- Are your bills accurate, timely and based on actually rather than estimated reads?
- Are you ready to engage on initiatives to reduce consumption and cost?

# About Affinity for Business

- Based in Welwyn Garden City employing 85 full time staff
- Serving 50,000 business customers nationally – “Not too big to care”
- Ranked as the UK's number 1 water retailer on independent site Trustpilot
- Accredited to ISO9001, ISO14001 and ISO45001
- UK Business Awards 2018 Winner in ‘Best Place to Work’ category



# Our Culture *or what people do when nobody is looking*

We have a collective ambition, to be the role model utility retailer.

We believe that;

- Water is a resource, not just a commodity
- Price is important, service is critical
- Our people make our business

To us, this is fresh water thinking... and we mean it



**proud to support**

**time to change**

let's end mental health discrimination

# Our Values and Behaviours

Honesty, Integrity, Inclusivity & Learning



# Working with all major frameworks



Crown  
Commercial  
Service  
*Supplier*



**Barts Health**  
NHS Trust



Purchasing made simple



University of Essex

# Proud to support the Public Sector





# FRESH WATER THINKING



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