COMPETITION IN THE
SCOTTISH WATER INDUSTRY
ACHIEVING BEST VALUE FOR WATER AND SEWERAGE CUSTOMERS
2008–09
MAKING WATER WORK FOR YOU

All business customers in Scotland can now choose their water and sewerage service supplier. Around one third of businesses are already benefitting. Are you one of them?

You could help yourself by saving money.

You could help the planet by saving water.

This booklet tells you how to do both.

BUT I'M HAPPY WITH MY SUPPLIER...

Whilst many businesses may be happy with their water provision and see switching as an inconvenience, the costs and terms of your supply can now be renegotiated for a better deal. Providers are also offering a range of additional services and benefits to attract and retain your custom.

INNOVATION
SEAS OF CHANGE

In April 2008, the Scottish water industry went through a radical change. Scotland became the first country in the world to open up water supply to competition for all non-household customers. Businesses across the country – from the smallest corner store to the largest conglomerate - are now benefitting from the change.

Competition between suppliers means increased choice. It means potential savings on water bills and improved customer service. One third of Scottish businesses have re-evaluated their water supplier.

No longer following the 'one size fits all' approach, they’ve been able to find the best solution tailored specifically to their needs, negotiating pricing and service levels – as well as addressing environmental concerns.

Water competition could save the Scottish economy a further five million pounds.

www.watercommission.co.uk
Savings

Is your company’s money going down the drain?

Have you looked at your water bills in the past year? Now might be the best time ever to find out if you are paying more than you need to for your water supply, and it’s so easy to do.

There are four licensed suppliers in Scotland – Business Stream, Ondeo Industrial Solutions, Osprey Water Services and Satec, with other suppliers expected to enter the market in the future. These are all regulated by the Water Industry Commission for Scotland (WICS).

The market operates in much the same way as with other utility services where suppliers compete for customers by offering them the best deal. Suppliers buy wholesale services – the physical supply of water and removal of sewage – from Scottish Water. Then they package them with other services for their customers at competitive prices.

Apart from a competitive pricing policy, this has resulted in providers offering a range of additional services including easier billing, water saving measures, leakage reduction, quality and consistency of supply, and fast reaction response. Environmental advice and individually tailored solutions can also be accommodated.

Cheaper water for Scotland

A change in the law has helped customers to receive better service and lower bills. Suppliers and their customers who work with Scottish Water to lower costs can benefit from savings on the price of units of water. More businesses than ever are now able to renegotiate their water payments and further discounts could be available to organisations that can plan ahead.

Environment

How green is your water?

Reducing consumption, and reducing waste, is a priority for anyone who is concerned about their impact on the environment.

Most of us are unaware of how we can use water in an environmentally friendly way, without disrupting daily life – but actually there are a surprising number of innovative ways to turn your water green.

From flushing toilets with rainwater, to fixing leaky pipe-work – your supplier has plenty of advice and guidance on how you can save water. Competition means that you can now shop around for the best advice, and work with what suits your individual business needs.

As suppliers and customers can reduce the cost of their water by sensible use, there is now an incentive for all to get involved in improving the water industry’s environmental performance. Competition in the water industry has created a genuine financial incentive for being water efficient – being green makes business sense.
SMART THINKING

BUSINESS STREAM HELPED TESCO TO BECOME THE FIRST UK RETAILER TO INSTALL SMART METERS

With over 250,000 employees and 1,779 stores, Tesco is the largest private sector employer in the UK. The company is committed to reducing its carbon footprint, and once aware of the introduction of competition in Scotland, Tesco set about finding a package that would achieve this across the company’s Scottish stores. A deal was agreed with Business Stream.

Through Business Stream, companies such as Tesco can monitor the rate at which they use water. The results can be checked against industry averages to spot leaks or wastage. This system is called Smart Metering. By installing electronic loggers on each store’s water meter, Business Stream and Tesco monitored water flow rates through a website. Leaks were quickly spotted, and far fewer site visits were needed.

Tesco estimates that it achieved savings of one million pounds more quickly in the past year because of the improved service it received.

As well as leading to a cheaper and more efficient water supply for Tesco, the service has helped Tesco’s Scottish stores achieve their environmental commitment to reduce water consumption.

“The introduction of Smart Metering technology has been a resounding success. It has played a significant role in helping us meet our water consumption targets as well as improving the efficiency of our stores.”

Douglas Wilson, Tesco’s Corporate Affairs Manager for Scotland and Northern Ireland

SMART SAVINGS

SHOPPING AROUND MEANS SAVINGS FOR BUSINESSES

When one of the UK’s leading bookmakers was made aware of the changes to the Scottish water industry, the business decided to shop around for the best deal.

After speaking with two suppliers, they came to an agreement with Osprey for a new water supply package to meet the company’s needs.

Simply by changing provider, the company has enjoyed the benefits of improved customer service and a constructive and reactive relationship with the supplier. The company has also found the switch to be a worthwhile way of trimming costs.

COMPARE

WATER WORKS

Switching water supplier is easy, and every business in Scotland can benefit – from the largest corporations to the smallest family-run shops. Any non-household customer can switch supplier at a maximum of twenty business days notice, by making a phone call to their new chosen provider, who will co-ordinate the switch on their behalf.
A LITTLE BIT ABOUT WICS

WICS is the economic regulator of the Scottish water industry. Based in Stirling, we are a non-departmental public body with statutory responsibilities – and we act independently of Scottish Ministers.

Our mission is to make sure that the Scottish water industry provides a high-quality service and value for money to its customers. We have overseen the introduction of supplier competition, and continue to safeguard the interests of water customers.

LICENSED SUPPLIERS

Any organisation that wants to supply water has to have a licence from WICS. Licensed suppliers will then have to meet a number of conditions designed to protect customers and prove their competence and financial viability.

CONTINUED REGULATION

We keep a close eye on suppliers and if they breach their licence conditions, then we have the right to revoke their permit to trade, so you can be sure you’ll be protected. And if your company should choose to switch supplier you can normally return to your original supplier without penalty.

PROTECTION

Your charges and the service you receive are protected. The cost of your water is guaranteed to increase by less than the rate of inflation until 2010 and will be less than the maximum charge you previously paid to Scottish Water.

RISK-FREE

There will be no risk to your supply should you wish to switch between suppliers. You will always have the option to choose a supplier that offers a minimum standard of service at a regulated price, regardless of your location, size or sector.

WATERTIGHT PROTECTION

Competition is benefitting business customers throughout Scotland. However, to make sure that your interests are protected at all times, we have put a number of reassuring measures in place.

COMPETITION VS. SELF-SUPPLY

Self-supply offers the opportunity for business customers to apply to WICS for a ‘self-supply’ licence.

Any business is eligible to self-supply but it is particularly worth considering if you are a large organisation with multiple sites across Scotland.

As a self-supplier, you would receive wholesale services direct from Scottish Water in return for a charge. You would be responsible for providing all other services, for instance billing, yourself.

As a self-supply licence holder you can:

• supply multiple sites that you own or operate for even better control and management over your consumption and waste water
• apply for a discount on your wholesale charge to save even more
• participate in the working groups that will influence the future of the sector
• take an active role in the governance of the market.

WHO IS PICKING UP THE BILL?

Whilst only non-household customers are now able to choose their supplier, domestic consumers are benefitting too. Scotland’s new competition framework shares reductions in Scottish Water’s costs between those who identify the savings and all other customers, commercial or otherwise.
SINGING IN THE RAIN

It is official, Scotland was the first country in the world to offer business customers a choice of water supplier and the changes are already delivering lower prices, improved services and more innovation.

Since the launch, around one third of Scotland’s businesses have either renegotiated or switched suppliers. Most have moved because of the better all-round packages now available, some value service over money, others consider their environmental impact as the priority. Whatever the reason, you’ve nothing to lose when exploring all the new options.

If every business in Scotland reconsidered their supplier, a further five million pounds could be saved.

WHAT ARE YOU WAITING FOR?

If you want to know more, your first stop will be www.scotlandontap.gov.uk where you can find the contact details of all the different suppliers.

From there, you can get in touch with the suppliers and discuss how they can meet your individual needs, as well as finding the best deal for your organisation.

If you have a general enquiry about how the market is regulated, have a look at our website, www.watercommission.co.uk, or contact us directly.

Email: licensing-enquiries@watercommission.co.uk

Phone: +44 (0) 1786 430200

Write: Water Industry Commission for Scotland, Ochil House, Springkerse Business Park, Stirling, FK7 7XE

All information in this booklet was accurate at the time of going to press.