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15 March 2018

Dear ,

Bioresources market information

I am pleased that all ten water and sewerage companies in England and Wales have voluntarily published their 2016-17 bioresources market information. [Our website](#) provides links to the published information and we are seeing third parties engaging with the information available.

I am taking this opportunity to write to all companies to provide our observations on the information published, to ensure that companies meet the requirements of the market information licence condition when information is formally published in July. I am keen that confidence in bioresources markets is built and maintained, and this will be aided by good quality information.

It is important that company information is robust and that companies' assurance processes ensure their information is accurate and can be relied upon. This is a key pillar of the regulatory framework and will be a key consideration when we assess companies' business plans in the 2019 price review. That is why I am writing to provide feedback on the quality of information provided by companies.

Meeting the requirements of the guidance

As you know, licence condition M1 is a new requirement for water companies to publish information specified by Ofwat in relation to water resources and bioresources. In October 2017 we published the [final version](#) of our bioresources guidance to companies on the market information they should publish or provide to us.

We have taken the opportunity to assess the extent to which the voluntary information would meet the requirements of the guidance. Our observations are based on the format and completion of the data template. We have not assessed the accuracy of the data.

Three companies Dŵr Cymru Welsh Water, South West Water and United Utilities met all the requirements of the direction in terms of the format and completion of the data.

All other companies have either not provided data in the required format or have provided incomplete data.

Data accessibility

Section 3.1.2 of the bioresources market information guidance document states, “The information ... must be published in the template provided, which is a searchable spreadsheet format. It must not be converted to text or published as a pdf file type.”

It is important that third parties can access and engage with the information in a meaningful way to identify opportunities and promote their services. I am disappointed that voluntary information has been published in a way which makes it difficult for third parties to access the information.

I am concerned that two companies have not published their information in the Excel template format, but in a converted file type. Of these, one company has stated that the populated Excel template is available on request. We also note that one company has published in Excel format, and although the information is searchable it is protected such that it is not easily copied or adapted. These constraints on the access to the data make it more difficult to use the information assess particular market opportunities or to upload location information into mapping software.

Data format – coordinates

We define the location coordinates for sites in terms of Latitude (e.g. 52.2000) and Longitude (e.g. -1.50000) to provide a consistent and coherent dataset over the whole of England and Wales. I note that five companies have used alternative location coordinate definitions, preferring the use of Easting and Northing instead of latitude and longitude. This means the whole data set across the companies is not in a consistent and comparable form.

Four companies have used Easting (eg 430000) in place of latitude and Northing (e.g. 350000) in place of longitude. But one company has listed them the other way round, putting Northing figures in the latitude column and Easting figures in the longitude column.

Comparing the information of neighbouring companies in a consistent form is important to identify opportunities for bioresources trades or the provision of services. We expect companies to populate the template in the appropriate format to ensure comparability of information.

Incomplete data

We have noted that in some cases, there is missing information relative to what companies will be required to provide from July. One company has only published information about its wastewater treatment works and has not yet published information about its sludge treatment centres or current contracts. This is a significant omission relative to what other companies have published voluntarily and is a barrier to the market developing as third parties cannot identify where the company's sludge treatment centres are located and the opportunity to provide services.

We also note that one company has completed a number of cells as "N/A" in relation to the volume and solid content for many of its large treatment works. We have designated Section B columns 1 (Quantity of raw sludge produced per year) and 3 (average % dry solids of sludge produced) as mandatory requirements for publication from July 2018 onwards.

Market activity information

In the bioresources market information guidance document, we explain that the market activity information we are asking for in Table 6 is required to be reported to us each July from 2018 onwards. We do not require companies to publish this information, particularly as some of it may be commercially confidential. Companies are free to publish all or some of the market activity information if they consider this is the right thing to do, and one company has done so alongside its voluntary bioresources locations and successful contract market information.

It is important that companies meet the information requirements that we have set out in relation to the market information and other submissions, such as the PR19 business plans. We will expect companies to meet the requirements of the guidelines and prepare their information in the required form for publication in July. I also note the importance of consistent, accurate and assured data for the 2019 price review.

Yours sincerely

A handwritten signature in black ink, appearing to read 'DBL', written on a light grey background.

David Black
Senior Director