

July 2018

Trust in water

**Consultation on an application for a Water Supply
Licence and Sewerage Licence with a self-supply
authorisation by Berendsen UK Limited**

About this document

Berendsen UK Limited ("**Berendsen**"), a registered company with company number 00228604, whose contact address is at Intec 3 Wade Road, Basingstoke, RG24 8NE has applied for a retail restricted to self-supply licence with authorisation for water and sewerage ("**WSSL**").

This document provides notice of the application and sets out Ofwat's proposal to modify the standard licence conditions that will apply to Berendsen should it be granted a WSSL.

1. The application

Berendsen is a provider of textile maintenance services in the UK with headquarters in Basingstoke. On 12 July 2018, Berendsen applied for a water supply licence and a sewerage licence, with a retail authorisation limited to self-supply. If granted, this will enable Berendsen to provide retail services to itself and associated persons.

A WSSL limited to self-supply will only be granted to supply premises supplied or served using the water supply or sewerage system of an undertaker whose area is wholly or mainly in England.

Synopsis of the business plan

Berendsen provides its services through three key divisions of the business:-

- Sterile instrument and barrier fabric cleaning
- Healthcare and Hospitality industry laundry services
- Workwear laundry services

The majority of its thirty-two sites operate as industrial laundries whilst four sites operate as sterile instrument sites. All of these operations require large volumes of water and produce large volumes of trade effluent, however it has been very active in ensuring that its sites operate efficiently and has invested in these endeavours over the last few years. All of these sites now have some form of water reclaim system in place and its results in reducing consumption have been recognized with awards from within the industry. It also holds the Carbon Trust Water Standard, alongside the Carbon Trust Standard.

Self-supply for Berendsen provides an opportunity to build on the works already undertaken and further develop the partnership with Waterscan whilst driving cost and consumption control in the next phase of their water management strategy. In addition, it hopes that being an active participant in the market will drive further innovation and provide a direct customer voice in MOSL discussions.

Berendsen believe that having a self-supply licence will give them a chance to take more control over their own water use, deal directly with the suppliers and build on the success of their water program. In order to facilitate this application, Berendsen have entered a partnership agreement with Waterscan to take on the role and responsibilities for the retail functions including meter reading, CMOS transactions, wholesaler management and finding further water efficiency savings. As such,

Waterscan will act as the managing agent for Berendsen and provide technical support and services while the business will build relationships with wholesalers and pay water and sewerage charges through the settlement process. This partnership will take the form of a contractual agreement between the parties and has been submitted as part of the licence process.

2. Proposal to modify the standard licence conditions

Under sections 17H and 17HA of the Act, the Secretary of State has issued standard licence conditions that will apply to all water and sewerage services licensees (WSSL). The standard conditions can be found on the [government website](#).

Under sections 17H(6) and 17HA(7) of the Act, in granting a licence, Ofwat may exclude or modify those standard licence conditions to such an extent as we consider appropriate to meet the circumstances of a particular case.

On 8 April 2016 we published a [consultation on self-supply licences](#) setting out the exclusions and modifications we were minded to make to the standard conditions for self-supply licences. We received 12 responses and on 29 June 2016 we published a [document setting out our conclusions](#) on the exclusions and modifications we intended to make to the standard conditions for self-supply licences. Appendix 1 to that document provided a modified version of the standard conditions highlighting the changes we intended to make.

On 1 March 2018, we began a [consultation on a proposal to modify the standard licence conditions that apply to water supply licences and sewerage licences](#). This consultation included proposed modifications to ensure that the standard licence conditions apply to licences limited to self-supply. This consultation ended on 3 April 2018 and we expect to publish the decision document in respect of this consultation in July 2018. We will notify ongoing Berendsens of any changes made to the standard licence conditions as a result of this consultation.

In order to modify the licence conditions, Ofwat must consult for 28 days. This will be followed by a decision on Berendsen's application and the licence conditions that should apply.

How to respond

Any person who wishes to make representations or objections with respect to the application and our proposal to modify the standard licence conditions should do so in writing (which includes by email) to Ofwat at Centre City Tower, 7 Hill Street, Birmingham, B5 4UA or by [completing the webform](#).

Representations must be received by Ofwat no later than 17.00 hours on 21 August 2018. Further information about how to make representations or objections, including

information on the treatment of confidential information, can be obtained from Ofwat at the above address or at <http://www.ofwat.gov.uk/foi/>

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