

Vision and Strategy Web Form Response [REDACTED]

Name
[REDACTED]
Organisation or company
None
Open questions
Based on the draft in our discussion document, what do you think should be included in a shared vision for the sector? What are the collective aspirations it needs to achieve?
The document is much too long and rambling. People won't read it or understand it. Boil it down to the essentials. Customers want water that is safe, reliable, and above all cheap. For years the water companies have been overcharging customers and making excessive profits which have gone to institutional and private equity shareholders. For example; a former institutional investor in Bristol Water used to boast on their website of "guaranteed above-inflation returns".
Should water companies be encouraged or incentivised to consider wider public value in what they do? What does this phrase mean to you, and should Ofwat take a role in making that change happen?
No! Water companies are there to provide safe water reliably at low cost and take away the water once we have used it. Full stop.
Do you think long term aspirations and targets will be effective in driving the sector forwards? What should they cover and how should they work in practice?
Only strong control by OFWAT of water companies' margins and return-on-capital can change the water sector from the financial gravy train it has become. Why are so many water companies owned by private equity? Because private equity sees that UK water companies are a great place to invest for superior long-term above-inflation returns. Who wouldn't want their ISA or pension owning a slice of a lightly regulated water company?
Do you think we're focusing on the right areas in which to drive transformational change, as we've set out on pages 26-29? E.g. innovation, the natural environment, customer relationships.
Focus on water that is safe, reliable and above all cheap.
How do you think we could evolve our approach to price controls, building on the conversation on page 36?
Squeeze the water companies until they squeak! Bristol Water has been making outrageous water price increases year on year. Between 2011 and 2015 Bristol Water increased metered water prices from £106.35/m3 to £145.95/m3. That's a 37% price rise in just 4 years! Nice work during a period of austerity, 2011 - 2015, when wages were going up 1-2% per annum. But Bristol Water then had the nerve to ask Ofwat for further price increases in the next round, arguing that they needed to squeeze today's customers even more to pay for a big new reservoir. Glad OFWAT turned that idea down flat anyway; well done OFWAT.