

April 2020

Trust in water

**Notification that Sefton Council has  
applied for a Water and Sewerage  
Licence with a self-supply authorisation**

## About this document

Sefton Metropolitan Borough Council ("**Sefton Council**"), a local authority whose contact address is at Magdalen House, 30 Trinity Road, Bootle, L20 3NJ, has applied for a retail Water and Sewerage ("**WSSL**") restricted to self-supply.

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

## 1. The application

Sefton Council is a local authority area in the north west of England and part of the Merseyside / Liverpool City Region area.

On 4 March 2020, Sefton Council applied for water and sewerage licenses, with a retail authorisation limited to self-supply. If granted, this will enable Sefton Council 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

Sefton Council is a local authority area in the north west of England and part of the Merseyside / Liverpool City Region area. Sefton has a team that manages gas, electricity and water utility services for all council buildings, all schools in its area (including Academies) as well as local care providers. It maintains its relationship with these sites through the provision of support services. Sefton Council's corporate and schools portfolio, which will form the proposed portfolio of service point identifiers ("**SPIDs**") for Sefton Council, account for 213 SPIDs.

Sefton Council has undertaken an options appraisal to assess how to enter the market. It was determined that the Council could both maximise savings as well as access the services it sought if it were to obtain a retail licence for water and sewerage services limited to self-supply.

For Sefton Council, water is a vital element of each site. Sefton Council is responsible for ensuring all its sites have access to water. These sites range from leisure centres with swimming pools, allotments, parks, and golf courses needing irrigation, and schools and offices requiring more typical freshwater provision.

Self-supply for Sefton Council provides further opportunity to build on the works already undertaken following its Carbon Management Plan implemented in 2010, which introduced a revised communication strategy to target schools on raising their awareness to behavioural and physical change via energy and water audits. Sefton Council's ambition of becoming a self-supply licensee is driven by its plans to improve and better control the chargeable variables that make up its wholesale charges.

In order to facilitate this application, Sefton Council have entered a partnership agreement with Waterscan Limited ("**Waterscan**") to take on the role and responsibilities for the retail functions including meter reading, market transactions, wholesaler management and finding further water efficiency savings. As such, Waterscan will act as the managing agent for Sefton Council and provide technical support and services. Sefton Council will build on its

key relationships with wholesalers and pay its water and sewerage charges. This partnership will take the form of a contractual agreement between the parties and has been submitted as part of the licence process.

## 2. Standard licence conditions

Under sections 17H and 17HA of the Act, the Secretary of State has issued standard licence conditions that apply to all water and sewerage services licensees. 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. Following consultation, on 10 September 2018, Ofwat modified the standard licence conditions to make them applicable to self-supply licensees.

Under Part A.2 of the Standard Licence Conditions Ofwat may issue a Condition A2 direction bringing certain provisions of the Standard Licence Conditions into effect. In order to regulate self-supply licensees in a proportionate manner, some of the provisions that apply to other licensees are not brought into effect for self-supply licensees. These relate to the obligation to provide an annual certificate of adequacy (A.4); the provision on arm's length transactions (A.7); and the requirement to comply with the Customer Protection Code of Practice (B.2). A provision that only applies to self-supply licensees is brought into effect, namely the requirement to publish and keep up to date, a list of all the associated companies that are being supplied by the licensee (A.8).

### How to respond

Any person who wishes to make representations or objections with respect to this application and our proposal to modify the standard licence conditions should do so in writing (which includes by way of email) to Ofwat at Centre City Tower, 7 Hill Street, Birmingham, B5 4UA or by email to [licensing@ofwat.gov.uk](mailto:licensing@ofwat.gov.uk).

Representations must be received by Ofwat no later than 17.00 hours on 22 May 2020. 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/>

Ofwat will only use the information you have provided for the purpose of this consultation. We will retain your information in accordance with Ofwat's retention schedule and will not share with third parties unless we have a legal obligation to do so. For further information please see Ofwat's Privacy Policy in our Publication Scheme.

Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We regulate the water sector in England and Wales. Our vision is to be a trusted and respected regulator, working at the leading edge, challenging ourselves and others to build trust and confidence in water.

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