

May 2021

Bioresources information consultation – summary of responses and final decisions

1. About this document

This document summarises the responses we received to our bioresources information consultation and sets out our reasoned decision after considering the points raised. We have published the [updated direction](#) alongside this document. We have also published a [spreadsheet containing stakeholders' responses](#).

2. Summary of responses and our decisions

Theme	Stakeholder response	Our decision
Timing	Responses were mixed as to whether the direction should take effect this year. Although a number of respondents agreed it should take effect this year, others raised concerns for reasons such as: the work was already underway to comply with the existing direction, some of the requirements would take time to comply with and some of the new requirements would have minimal benefit given publication of a recent data request which covers similar information.	The direction will take effect this year. We consider that a) the new information requirements are important to help support the bioresources market for the reasons given in our consultation; b) we are providing appropriate notice to companies; and c) there are differences compared to our recent information request which justifies this approach.
Long term, annual information	Almost all responses supported the principle and proposed approach to publishing this information. However, some respondents commented that a) any projections will be based on assumptions, will be mutable, and will be a snapshot in time; b) the requirements could be simplified, for example by not requiring companies to report headroom separately; and c) it might be helpful to allow companies to attach a commentary document explaining their approach.	<p>We will implement these proposals as set out in our consultation. There was broad support for these proposals.</p> <p>We recognise that by their nature, companies' projections are a calculation and judgement about the future based on information that they have at the time.</p> <p>We agree that publishing explanatory commentary could be helpful.</p>
Short term, monthly information	Most responses supported the principle and proposed approach to publishing this information. Comments and concerns included that, a) this would increase workload, b) these projections are particularly uncertain and liable to change, c) the requirements could be simplified, for example by not requiring companies to report headroom separately, d) more up to date or live information may be more beneficial.	<p>We consider that all elements of the projections are helpful. For example, separate reporting of headroom helps participants to understand how a company has come to determine its tradeable capacity.</p> <p>We agree that additional, more up to date information may help to promote the bioresources market. We encourage companies to produce this as appropriate.</p>
Transport routes	Most responses supported the principle and proposed approach to publishing this information. Comments and concerns included a) mixed views on the relative importance of information, b) whether the information requirements could be simplified further, and c) whether we could make a change to the mode of transport from Sludge Treatment Centres (STCs).	<p>We will implement these proposals as set out in our consultation. There was broad support for these proposals.</p> <p>The mandatory transport information is limited to primary routes and we consider this is proportionate. It will help to indicate where most sludge is transported to and how.</p> <p>We consider the proposed categories for transport from STCs are appropriate as this is consistent with the way transport is classified elsewhere in the template; however we can</p>

		consider reviewing this in future if experience shows a different classification is appropriate.
Renewable energy incentives	<p>Almost all responses supported the principle and proposed approach to publishing this information. The one respondent that disagreed considered that the information could be commercially confidential, although subsequent engagement concluded that the level of detail required was acceptable.</p> <p>Two respondents stated that some sites have more than one incentive scheme operating, so suggested we allow for multiple entries.</p>	<p>We will implement these proposals as set out in our consultation, apart from a minor adjustment to allow multiple incentives to be reported. There was broad support for these proposals.</p>
Consistency of inputs	<p>Almost all responses supported the principle and proposed approach to publishing this information.</p> <p>Two respondents suggested that additional information to clarify the method of treatment would be helpful.</p> <p>One respondent asked for a transparent query process. Another respondent suggested, in the context of the projections data proposals, that an industry working group could be established to promote consistency.</p> <p>Two respondents considered annual updates to be too frequent.</p>	<p>We will implement these proposals as set out in our consultation, apart from a minor adjustment to allow the type of treatment to be reported (optionally) for each treatment centre. There was broad support for these proposals.</p> <p>We have attempted to make the information requirements as clear as possible. Where appropriate, we would support companies working collaboratively to promote consistency.</p> <p>We consider annual updates proportionate because it will ensure data remains up to date.</p>
Other, supplementary information	<p>Almost all responses supported the principle and proposed approach to publishing this information. The one respondent that disagreed considered the approach might be duplicative and potentially out of kilter with the legal procurement process.</p>	<p>We will implement these proposals as set out in our consultation. There was broad support for these proposals. We consider that the information would not be out of kilter with procurement processes as companies have discretion as to what information they provide regarding these – for example, this could cross refer to other information provided by a company if this would be most useful to market participants.</p>
Classification of data as mandatory / optional	<p>Most responses supported the principle and proposed approach to publishing this information.</p> <p>One respondent that disagreed considered that additional information could be made mandatory. The other respondent that disagreed considered that the mandatory information regarding small wastewater treatment works should be optional.</p>	<p>We will implement these proposals as set out in our consultation.</p> <p>The information which one respondent proposed to be made mandatory is generally provided by all companies on a voluntary basis. This suggests that making the information mandatory would have a low benefit and very low cost. Therefore, we agree there is likely to be merit in making this information mandatory in future. However, we think this should be part of any future consultation to allow for alternative views to be considered.</p>

		The information requirements for small wastewater treatment centres have been in place for some time and are much less detailed than for larger treatment centres. We consider that the requirements remain proportionate.
Sludge treatment disaggregated data	There was broad agreement.	We will implement our proposal as set out in the consultation.
Formal and informal approaches	<p>The majority of responses agreed with our proposal that companies should report formal and informal approaches from other entities to provide sludge treatment services.</p> <p>Some respondents stated that informal approaches would be difficult to collect due to uncertainty over what constitutes an informal approach. Others stated that they do not see the value in collecting this information. One respondent stated that this data should be collected from 2021-22.</p>	<p>We will implement our proposal because, as set out in our consultation, we consider this information to be important as it will provide us with another way of monitoring interest in the market. We have heard repeatedly through stakeholder engagement that approaches to provide sludge treatment are primarily made through informal channels, and so collecting data on formal approaches only will not provide us with a complete picture. Definitions of what constitutes an informal approach are included within the template we provide to companies.</p> <p>We recognise that this field may be difficult to report accurately for 2020-21 and will take this into account when we review the data.</p>
Publication of market activity information	<p>Most responses agreed with our proposal to require that the market activity information be published alongside the Annual Performance Report.</p> <p>Some responses commented that certain lines are confidential and would need to be redacted.</p>	<p>Companies will be required to publish the market activity information as part of the Annual Performance Report. Companies are permitted to redact certain lines of this information where they consider it to be commercially sensitive. However, where this is required, companies will need to state a rationale for the redaction in the data table commentary. We will assess this to ensure that redactions are necessary.</p> <p>Note that companies will still need to submit a non-redacted version to Ofwat.</p>
Replacing narrative disclosure with an online survey	<p>Most responses agreed with our proposal to replace the narrative disclosure with an online survey,</p> <p>Two responses stated that the use of an online survey makes internal review and assurance more difficult.</p>	We will implement our proposal because, as set out in our consultation, we consider that there is benefit to be had from using an online survey instead of the narrative disclosure. While platforms such as MS Forms are single use, there is nothing to prevent companies from agreeing, reviewing and assuring text in the normal manner before inserting it into the form when complete.

Other comments

Stakeholders also raised high level points on barriers to market development and the necessity of bioresources data collection by Ofwat. For reasons explained in the consultation and above, we see this data as valuable for the market. We will consider

barriers to further market development as part of our ongoing review of the bioresources market.

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