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Secretary of State for Environment, Food and Rural Affairs
Department for Environment Food and Rural Affairs
water.resources@defra.gsi.gov.uk

Copied to

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Water-Company-Plan@environment-agency.gov.uk,

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Dear Secretary of State

Re: Bristol Water consultation on draft Water Resources Management Plan 2019

Waterwise is pleased to respond to Bristol Water's consultation on its draft Water Resources Management Plan 2019.

Waterwise was founded in 2005 and is the leading authority on water efficiency in the UK and Europe. We are an independent, not-for-profit organisation, receiving funding from Supporters and Affiliates across and beyond the water sector and wider sponsorship and research projects. We like to be at the front, leading and supporting innovative efforts to realise our mission; that water will be used wisely, every day, everywhere. Although we are supported by water companies we know they value our independent challenge and that is why we are responding to this consultation.

Water efficiency is a key contributor to resilience, and water companies are currently carrying out large-scale retrofitting and customer engagement programmes. But water efficiency, scaled up even further, is also an invaluable tool in driving customer participation – as well as using water efficiency programmes to get customers to help deliver water savings, it can contribute to multi-layered relationships to help inform, track and improve customer service and outcomes across companies.

We know Ofwat is keen to see larger-scale water efficiency and we support Defra's expectation that Ofwat "promote ambitious action to reduce leakage and per capita consumption". This also links to the requirement to promote water efficiency in

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Ofwat's resilience duty and the ambition on water efficiency set out in the 25 Year Environment Plan.

In June 2017 Waterwise launched our '[Water Efficiency Strategy for the UK](#)'. We produced this in partnership with the wider water sector and it is being delivered by a Water UK-supported Steering Group.

Waterwise has been highly supportive of Ofwat's work on customer engagement and participation, in particular the Tapped-In report. We have launched the 'Leadership Group on Water Efficiency and Customer Participation', which brings together Chief Customer Officers and equivalents of all the UK water companies in a more ambitious approach to wasting less water - using this to drive a more customer-led culture. We are also working closely with retailers to drive greater water efficiency ambition and outcomes for non-household customers.

The key elements of our response include:

- PCC ambition
- Innovation
- Behaviour change
- Partnership working
- Scale

Attached are our detailed responses to your consultation prompts. We look forward to working with Bristol Water to deliver water efficiency in PR19.

Yours sincerely

A handwritten signature in black ink that reads "Nicci Russell". The script is cursive and fluid, with the first letters of "Nicci" and "Russell" being capitalized and prominent.

Nicci Russell
Managing Director
nicci.russell@waterwise.org.uk

Response to consultation question prompts

1. Do you think there might be something missing from our plan that we need to consider?

Yes. We consider that Bristol Water should be setting an ambitious reduced trajectory for per capita consumption over the period of the draft Water Resource Management Plan. We understand Bristol Water's current per capita consumption (PCC) to be 147 litres per day - one of the highest in the sector. We know that Bristol Water's Chief Executive is committed to reducing this, and the draft WRMP states clearly that water efficiency is a strong priority for customers (second only to leakage as an option to manage the supply-demand balance).

The draft WRMP sets out a projected increase in per capita consumption over the period as a result of population growth and climate change. Recent research published by Ofwat has suggested that tackling household leaks and using innovative technologies could help to decrease water use in England and Wales by two thirds over the next 50 years, despite significant population growth. The Government has also made it clear in its 25 Year Environment Plan that it wants to work with the sector to develop an ambitious cross-England target in the near future. And the NIC report "Preparing for a drier future" sets out an aim for water efficiency to provide 34% of the recommended level of resilience we need through water efficiency.

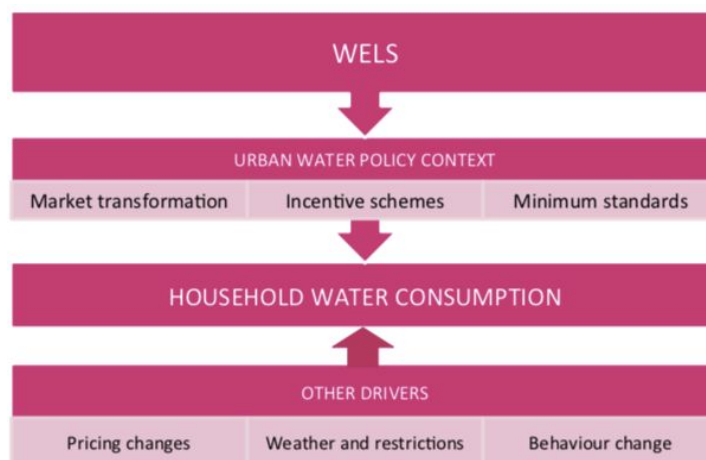
We also note that

- United Utilities' draft WRMP sets out a reduction in demand of 3% between 2020 and 2045, despite an increase in population in its area from 7.4m to 8.3m;
- Anglian Water is putting less water into supply now than in 1989 despite over a 25% increase in homes, as a result of a focus on demand management (leakage, water efficiency and metering); and
- Southern Water is setting a demand reduction target to reduce per capita consumption to 100 litres per person per day across its region by 2040. Target 100 is not just about reducing water consumption; it is about shifting society to value water.

We would like to see Bristol Water’s final WRMP contain a per capita consumption target for 2045 of 110 or less, with five-year milestones, and an ambitious target for the PR19 business plan. The common performance commitment on PCC which Ofwat is requiring from all companies in their PR19 submissions, to cover 12 years, should be the halfway point to the 2045 target.

This will reflect the views of Bristol Water’s customers (strongly supportive of water efficiency, as the draft WRMP states), good practice across the industry, and government and regulatory ambition.

Waterwise recognises that to get to lower levels of PCC will require effort by water companies, government and a wider range of stakeholders. We are working with Defra and the Collaborative Water Efficiency Fund, who are co-funding an independent review of water efficiency labeling in the UK. An effective labelling scheme has resulted in a 20% reduction in consumption in Australia between its introduction in 2006 and 2016. We’d like to see Bristol Water support water efficiency labelling as an integral part of their water efficiency strategy (see figure below, showing how water efficiency label WELS is a key part of water efficiency in Australia).



2. Are you happy that our plan strikes the right balance of risk for the short and long-term?

We consider that, given the challenges of climate change and population growth set out in the draft WRMP, the lack of ambitious water efficiency options and activity for the full period of the plan raises a greater risk of a supply-demand gap than is necessary.

3. Do you have any concerns that the plan might lead to unaffordable water bills?

As set out above, we consider that, given the challenges of climate change and population growth set out in the draft WRMP, the lack of ambitious water efficiency options and activity for the full period of the plan raise a greater risk of a supply-demand gap than is necessary. This loading of resilience risk would be likely to lead to increased cost for future customers.

3. Do you agree with our approach to manage any supply-demand deficit through demand reduction measures such as leakage reduction?

There is an absence of water efficiency measures in the draft WRMP. In the Executive Summary of the full, technical document, water efficiency measures do not receive a mention. The full document also states that no volumetric targets are being set on baseline water efficiency activity because of the uncertainty attached to behavioural impact. However, we strongly suggest that committing to an ambitious target now for 2045, with milestones and measures in place to meet it - as set out above - is essential for the resilience of water services and the environment. Otherwise, there is a risk that in 2045 the window of opportunity for impactful water efficiency ambition will have been missed.

Bristol Water sets out in the draft WRMP that it wants to further test its water efficiency approach to support for behaviour change further on customers before committing to water efficiency options in its final WRMP. Behaviour change is certainly an important part of the water efficiency basket of measures. Waterwise is working with the industry as a whole, through our Leadership Group for Water Efficiency and Customer Participation, to ensure learning across the sector on segmentation and customer participation approaches to water efficiency is shared, and to develop a UK Water Efficiency Communications Platform to ensure a sustained level of national messaging and baseline knowledge, off which targeted local, regional and national campaigns could hang. We applaud Bristol Water for

looking into this further - there is significant opportunity for innovation (and impact) in this space, both for resilience and for an improve relationship with customers.

However, water efficiency programmes need to be broad as well as deep. We consider it an essential element of a water efficiency programme for a water company facing challenges from climate change and population growth to mainstream an in-home offer for its customers - retrofitting water-efficient products and reducing customer-side leaks (including leaky loos which are a significant drain on water resources). This should be linked with the metering rollout programme, and additional to educational campaigns and offers of free products. We would suggest that it could be usefully mainstreamed across all customers, and linked with other measures such as social tariffs (as water efficiency helps manage bills down as well as pay bills). We agree with Bristol Water that there is a mutual benefit to customers and the company in water efficiency, and suggest that Bristol Water also quantify/promote the energy bill savings from water efficiency for household and non-household customers.

We support Bristol Water's intention to reach 84% metering by 2045, but question whether this will be achieved through the current process of optants, change of occupier and new build, as the draft WRMP sets out. We suggest a more proactive approach. Linked to its intention to work more closely with customers to support behaviour change to reduce water wastage, we suggest that Bristol Water consider (and cost) the use of smart meters for the whole metering programme between now and 2045. These could also be linked with energy meters to reduce bills.

We support Bristol Water's intention to work closely with water retailers to drive water efficiency for non-household customers. We are concerned at a sector-wide reduction in non-household water efficiency since the retail market opened, when the opposite was expected to be the case. We look forward to working with Bristol Water and the rest of the wholesale sector in our programme with retailers to drive greater water efficiency ambition and savings to all non-household customers, including through a league table and a retail Leadership Group.

We support Bristol Water's regional work to link water efficiency with other resource efficiency initiatives and campaigns. We consider this to be industry-leading and look forward to outcomes for customers across the region.

There are many medium- and long-term opportunities for innovation, which could be either led by Bristol Water or led by others and adopted by Bristol Water, such as:

- Developer incentives and/or coordinated policy change to reduce consumption in new developments below 110 lpd
- Further innovations in behaviour change and segmentation research over the medium- to long-term
- Alternative service models and better integration with energy sector decarbonisation and energy efficiency agendas, including piggybacking on existing retrofitting programmes
- Improved integration of water reuse or closed-loop systems at household or development scale
- Community incentive schemes - a community incentive to share the proceeds of water savings on a community scale has been delivered in Hampshire by Southern Water. The project has saved between 5 – 7% and is now part of a scheme to roll out incentives to 1.6 million customers in AMP 7
- Working with Wessex Water and with water retailers, better integration of SUDS (sustainable urban drainage systems) and rainwater harvesting through changing technologies - recognising multiple benefits for water efficiency and flood risk/ water quality
- Improvements in integrated water management at the development scale

A report by the Institute for Sustainable Futures for several water companies in Victoria,

Australia, has identified a wide range of water-efficient technologies for customers, either self-fitted or through an in-home programme offered by water companies and others. These include¹:

- A range of innovative water-efficient showers which offer significant water savings as well as associated energy savings, including those with pause buttons for shampooing
- Other relatively low cost water-efficient shower products, readily available via retailers and online shopping, which include shower shorteners, timers, displays and alarms which target reducing shower length; and aerators which focus on reducing flow rates
- Highly efficient clothes washers which incorporate new sensor technologies

¹ Liu, A., Turner, A., and White, S., 2017, Assessment of Future Water Efficiency Measures. Report prepared for City West Water, Yarra Valley Water, South East Water, Melbourne Water, Barwon Water and Department of Environment, Land, Water and Planning by the Institute for Sustainable Futures, University of Technology Sydney.

- Supercritical washing machines that use zero water
- Steaming wardrobes which can provide an alternative to washing
- High efficiency toilets which use almost no water
- High efficiency taps with sensors, along with taps that combine soap
- A range of leak detection devices that can shut off water flow remotely
- Highly efficient dishwashers which could use less than 10l/ wash
- Nylon bead washers in the commercial setting which can use up to 80% less water

Finally, we welcome the commitment in the draft WRMP to environmentally sustainable water management, but suggest Bristol Water should go further and commit to enhancing the environment, as set out in the government's 25 Year Environment Plan.