

The Collaborative Fund has a track record of kick-starting major water efficiency policy pieces including on water labelling and leaky loos. It offers lessons for Ofwat's Water Efficiency Fund

**W**ith Ofwat now consulting at a high level on plans for its new £100m Water Efficiency Fund (see p17), interested parties are deep in thought about issues including how the fund should be structured and targeted, who should be eligible to bid in, and how the governance should work.

While different in its scale and specific objectives, there is already some highly relevant experience to draw on in the form of the UK Water Efficiency Collaborative Fund – a voluntary initiative run by the water industry in partnership with Waterwise. Like the incoming Ofwat fund, the Collaborative Fund is dedicated to bringing the industry together to fund projects that will advance the cause of water efficiency, and it has an in-built mechanism for disseminating any findings and sharing knowledge.

The Collaborative Fund has a budget of £100,000 per year for AMP7, which is paid for by water company contributions (according to company size). Awards are made for water efficiency-focused research and projects, the findings of which are openly published on the Waterwise website.

The approach has many advantages. By cost and risk sharing, water companies can access insights from work that they would individually be unlikely to be able to fund. This means work that would otherwise remain unfunded can be undertaken, filling gaps and growing knowledge. The sharing of good practice is baked in to the model, and third parties benefit too from the open access knowledge sharing.

#### Background and achievements

The Collaborative Fund was established a couple of AMPs ago, but was restarted after a gap at the beginning of 2022 – thanks to a labour of love from Northumbrian Water's water efficiency manager Tim Wagstaff and Waterwise's head of policy and strategy Nathan Richardson. Wagstaff now acts as the fund's coordinator, and Waterwise, through Richardson, as the purse-holder.

Wagstaff explains that originally the Collaborative Fund sat within Water UK and was the result of "a sort of nudge to Water UK from Ofwat that actually it would be useful to have a bit of collaboration around water efficiency".

It was very successful. Richardson explains: "It did some great work. All the evidence around water labelling came out of the Collaborative Fund. And we have also looked at water reuse and water neutrality, and that's obviously become quite a big issue. So there's a string of collaborative projects that were undertaken that have really helped get things going, supporting a lot of important policy development. Leaking toilets is another one. All

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the research that was done on what the scale of the impact is, how much they are wasting, all that came from collaboratively funded work, which has now taken its own direction. So many of the big water saving opportunities we now recognise were kicked off by the Collaborative Fund."

There's no big story behind the gap in the fund's operation. Wagstaff says simply the funding allocated was spent, there were personnel changes and so on, and it sort of petered out. But discussions between himself and Richardson led to a concerted initiative to get it up and running again. There was a stumbling block in that Water UK no longer wanted to act as fund holder. But that job was picked up by Waterwise, the leading expert in the water efficiency space and already highly integrated with the water efficiency community across the UK.

Richardson says it took a bit of work to get everything set up, but Waterwise was able to step in in 2021. It now keeps Collaborative Fund monies ring fenced from its wider budget, and both collects money in from water company funders, and pays money out to successful bidders.

Richardson comments that the water companies were very willing to re-engage and put their hands in their pockets. "There was a lot of enthusiasm, people could see what the fund had and

could deliver and were keen to see it carry on. We asked for confirmation of interest and got all the UK water companies...even Manx Utilities on the Isle of Man."

Wagstaff reflects on the achievement. Delivering successful collaboration between multiple companies is "really difficult", he says, continuing: "But look what we've done here: we've managed to set up a wholesale-based water efficiency fund in under a year, that's delivering really fantastic, innovative research that's never been done before and filling the holes that maybe wouldn't have been filled without it. It's a big success story, and we're continuing that success."

#### Bid assessment

The fund is overseen by a board comprising five water company representatives. These were recruited openly via call for volunteers. Each representative can serve a two-year term, with an optional two-year extension. Bids received are scored by each board member and these scores collated.

There is a fairly common sense approach to the assessment of bids received. Where there is a high degree of consensus about a proposal, that decision stands. Where opinion is divided, it is taken to a vote, with each of the five board members having an equal say. As coordinator, Wagstaff makes all of this happen and liaises between bidders, funders and the board.

Anyone can bid in to the fund and there is minimal red tape. The application form is available online containing a very simple set of questions. Richardson summarises: "It asks what the project is, why it's needed and is there anything similar that's already been done? It asks how it connects to the *UK Water Efficiency Strategy* and helps progress it. And then it asks some questions about the logistics of the project – who's going to do it, what's the timescale, what's going to be delivered, how will it be shared? One of the key things with the fund is dissemination. There's a presumption that whatever is produced will be shared."

Four out of the ten projects that have been pitched since the scheme relaunched in 2022 have been funded (see box), though Wagstaff notes that a few others have been given feedback and invited to come back to bid again once that has been acted on.

#### A changing landscape

The arrival in 2025 of the new £20m a year Ofwat Water Efficiency Fund will clearly change the water efficiency funding landscape. It will dwarf the Collaborative Fund's £100,000 a year spend. But the team is convinced that the Collaborative Fund will continue to offer something valuable and distinctive and could sit happily alongside the new pot.

Richardson explains the Collaborative Fund enables the water industry to pick projects to fund. These can range from the short term and tactical to those that will evidence the need for long-term change, as with water labelling and leaky loos. "It's not necessarily about delivering water savings in the next two years or three years, but about flagging things that are going to be delivering water savings in the longer term as well," he comments.

Wagstaff develops the theme, arguing there are plenty of areas that will need research as we target statutory outcomes, and that the Collaborative Fund is perfectly placed to pick up important issues that no one individually owns and that would otherwise fall by the wayside. Building regulations are a good case in point. When the Government reviews these, it will need evidence of

#### COLLABORATIVE FUND PROJECTS SINCE 2022

**1. Updating the UK Water Efficiency Strategy to 2030 – led by Waterwise (complete).** This project supported the refresh and relaunch of the original UK Water Efficiency Strategy which over 100 organisations helped develop.

the findings are likely to be very relevant for the rest of the UK.

**2. Historic and future review of building regulations' impact on reducing domestic consumption within new homes in Wales – led by Welsh Water and WRc (ongoing).**

**3. Water and energy co-delivery: building the case – led by Northumbrian Water (ongoing).**

This project is working on updating the 2015 data set compiled by the Energy Saving Trust which detailed links between water and energy use – for example, the energy, carbon and financial cost associated with taking a shower. Richardson notes the original data was "quite out of date" and consequently different stakeholders were developing their own disparate datasets. This work will provide a robust, independent central set of data for all stakeholders to use.

This project is looking at whether new homes are actually delivering the water consumption standards set out in building regulations. The researchers have studied the fixtures and fittings of completed but as yet unoccupied properties. Emerging findings suggest the vast majority don't meet buildings standards.

A further potential strand concerns joining up the training for water and energy advisors who go into people's homes. Wagstaff: "There's a lot of advisors out there that are maybe going in and talking about water or talking about energy. Can we square both things off?... Could we co-deliver?" The fund is supporting the piloting of joint training materials and modules.

Richardson comments: "This is really interesting. It's going to throw up quite a lot of issues potentially. It could be another area, a bit like water labelling and leaky loos, where it's scratching the surface away and showing actually, there's a big issue around whether we're actually getting the water efficiency performance in new homes assumed in law and in Water Resource Management Plans... It's an enforcement issue, no one's really checking."

**4. Measuring mains2rains: rainwater harvesting and cultivation techniques for water efficiency on allotments (ongoing)**

This small project is measuring the impact of water reuse on allotments, principally in terms of water efficiency but also with an eye to sustainable drainage. It is considering the different opportunities and restrictions present in different locations, with a view to building up a picture of options for allotments across the country.

The Government plans to look at tightening up water efficiency standards in building regulations in the coming years "so there's an opportunity to sort it out as well," Richardson adds. "The research is well timed."

The project will also look at the water performance of lived-in homes. While the geographical focus is Wales,

what is being delivered as things stand. Likewise, we need robust data on energy and water consumption so that we can make smart choices, and even base major behaviour change initiatives that might come through the Ofwat fund on. "Who would have done that? Nobody would have done that," Wagstaff asserts. "So I think you have to have both. But sometimes all everyone sees is big delivery as the solution, whereas actually, there may be better outcomes from £100k a year than £100m. That is quite possible."

Apply to the Collaborative Fund at: <https://database.waterwise.org.uk/knowledge-base/water-efficiency-collaborative-fund-application-form/>

For more information on the Collaborative Fund, contact Tim Wagstaff at [Tim.WAGSTAFF@nwl.co.uk](mailto:Tim.WAGSTAFF@nwl.co.uk)

To find out more about Waterwise's insights on the new Water Efficiency Fund, contact Nathan Richardson at [nathan.richardson@waterwise.org.uk](mailto:nathan.richardson@waterwise.org.uk)