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13th September 2023

Consultation - Scoping the Water Efficiency Fund: High level consultation

Dear Ofwat

Many thanks for the opportunity to engage in the scoping of the new Water Efficiency Fund - both through this process and also in the discussions we have had with Ofwat at various levels.

We have prepared detailed responses to the questions, but have included our headline messages in italics before each response, to help you to summarise our position. Our overall thoughts on the consultation's proposals and questions, set out on this page, have also been included in our response to the final question.

Overall thoughts

- As the UK's independent experts and campaigners on water efficiency, **Waterwise strongly supports the proposal for a Water Efficiency Fund**. We agree with the rationale and objectives of the fund but believe it needs to link more clearly to the UK Water Efficiency Strategy to 2030, which provides the strategic framework for water efficiency and was co-created with over 100 organisations.

- Waterwise agrees with **segmenting the fund** by the water-saving topics proposed (behaviour change; smart data; and technology/wastage) and that it should fund a small number of new large-scale initiatives which deliver measurable and sustained household and non-household demand reductions. However, we do not think the fund should overly focus on innovation, which is covered by the Ofwat Innovation Fund, but instead should focus on the scaling up of interventions already known to save water.

- Waterwise agrees that the fund should **support interventions that are additional** to those funded in the WRMP24 plans. This focus on additionality also means that the fund must build on and not undermine delivery of the wider water efficiency agenda including Waterwise's work with and support from water companies. Waterwise's work will play a key part in the legacy of the Water Efficiency Fund, beyond 2023.

- **Waterwise can add a huge amount of value to the fund** - helping to ensure its effectiveness and secure its legacy. To do this it is crucial that Waterwise must act both as a strategic advisor and also as a partner in delivery consortia. There is precedent for this in Ofwat's Innovation Fund approach and in the Water Efficiency Collaborative Fund. Waterwise can directly support the fund by helping disseminate the learnings from it through our annual water efficiency conference, our newsletters and our UK and international multisector water-saving networks. Our independence will bring the 'trusted voice' element.

We would be very happy to discuss any of our responses in more detail with you and will of course continue to engage and support the further development of the fund.

Yours sincerely

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Who is Waterwise?

Waterwise was founded in 2005 and is the leading independent voice in the UK for using water wisely, for the benefit of people and the planet. Our vision is that water is used wisely every day, everywhere, by everyone. We are the UK's conscience on water efficiency and are experts in water efficiency policy, regulation, research, behaviour and campaigns.

1. Do you support the objectives of the fund? How could they be improved?

(Headline) As the UK's independent experts and campaigners on water efficiency, Waterwise ***strongly supports*** *the new fund and its objectives, which align closely with Waterwise's Vision that 'water will be used wisely every day, everywhere, by everyone' and our Strategic Direction Statement. We have been very active for almost 20 years in making the case for more funding and leadership for water efficiency - for example in the UK Water Efficiency Strategy to 2030, through the Senior Water Demand Reduction Group and through our support of ARID, and so we are really pleased to see Ofwat showing active leadership in this crucial area. The fund can build on and scale up efforts to date and help us get on track with demand reduction, delivering benefits for people, businesses and the planet.*

(Headline) Waterwise agrees that as an objective for the fund it is very important that the ***water savings from interventions from the fund are measured and sustained*** *- that funded interventions are properly evaluated. Waterwise has an extensive track record on this including working with government and regulators to publish an Evidence Base for Large Scale Water Efficiency Interventions. Waterwise is currently working with the Environment Agency on a behaviour change evaluation framework which is highly relevant and will help to co-ordinate all water efficiency behaviour change campaigns going forward. The framework will also help assess the impact and success of behaviour change initiatives proposed for the fund, and identify the best methods for engagement. The Retailer Wholesaler Group Water Efficiency Sub-group is aiming to develop a similar evaluation framework for non-household interventions.*

(Headline) Waterwise wants to see an ***additional objective*** *added to the fund - namely that 'The projects it supports help progress delivery of one or more of the 10 objectives in the* ***UK Water Efficiency Strategy****'. This will help provide a strategic framework for the fund and will reflect what 100 stakeholders in the UK water sector and beyond have agreed are the priorities for action and delivery. The existing UK Water Efficiency Collaborative Fund already has this link embedded in the scoring criteria for bids into it.*

Taking each objective at a time our thoughts are as follows:

Effective, providing measurable and sustained demand reductions in public water supply

We support this objective. It is crucial that we learn what delivers water savings and what doesn't so that money and resources can be focused on those interventions that work and deliver water savings. It will be important that a consistent approach is taken to reporting savings and evaluating effectiveness. Waterwise is currently working with the Environment Agency and others on an evaluation framework for water efficiency behaviour change and this could help provide consistency on that aspect. The RWG Water Efficiency Sub-group is also looking to develop an evaluation toolkit for NHH market.

Large-scale or with demonstrable potential for large-scale roll out

We agree that we need to move away from small-scale pilot projects via this fund and that therefore any project selected should be able to demonstrate how it would scale up - maybe with an agreed phased increase over the years of the fund if results are proven. If already promoting a large-scale project then there should be appropriate evaluation and opportunity to stop the work if any negative results are shown (e.g. water use increases or spillover effects that could harm other environmental objectives).

Innovative, with dedicated work on behaviour change and use of data-driven insights

We wholeheartedly support innovation, however this fund should be wary of focusing on projects

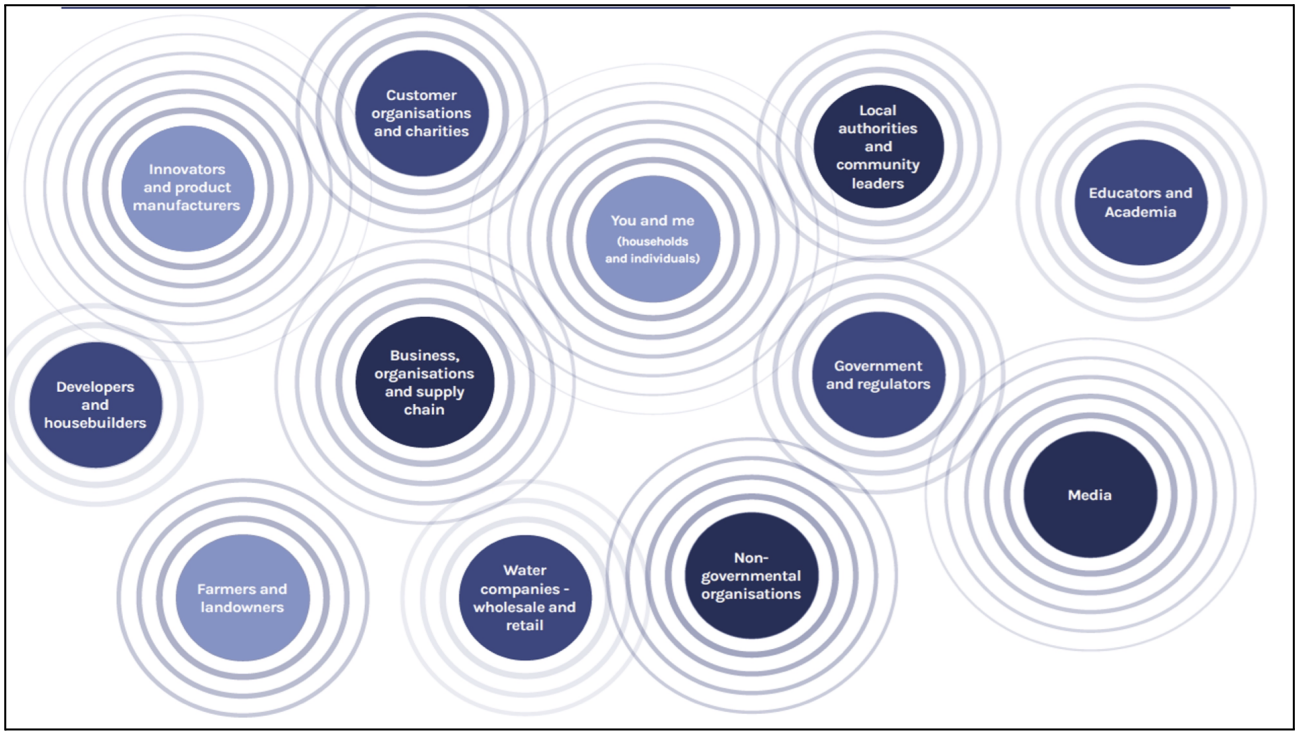
being innovative. The approach to this fund should be innovative, while the solutions don't have to be. Innovative leadership involvement in the decision-making for the fund is also important. The effectiveness of the activity should be the most important factor to secure funding. The Ofwat Innovation Fund should continue to support more innovative work that could then be upscaled via this fund once proven effective.

An example of how this could work in practice is provided by the **Water Literacy Project**, which in a similar way to the successful Carbon Literacy Project seeks to raise awareness the need for water efficiency and equip learners with the knowledge to save water and to promote water saving in the communities and organisations. This project recently secured Ofwat Innovation Fund support for a pilot and if successful could transition to this fund in 2025 for scale up as part of the behaviour change segment of the Water Efficiency Fund.

We support the objective that funded projects should make use of data-driven insights. We need the sector to push on with smart water meter roll-out and we also need to see parallel work to investigate how best to use this data both to improve water industry demand reduction activities but also to support behavioural changes by household and non-household customers.

Additional to actions included in water resources management plans. Initiatives should also be additional to what a water company should be delivering through its base activities during 2025-30 and what it may have been previously funded for at the 2019 price review (PR19)
We support the fund supporting interventions that are in addition to the activities already funded as part of the WRMP24 and Price Review process. However, we do think that there will need to make publicly available a collation/analysis of what has been included in WRMP24 (e.g. type of intervention, scale, timing, location, predicted savings etc) so that this additionality test can be met by bidders and by the fund decision makers and wasted effort can be avoided.

Stimulate cross-sectoral collaborations, major nationwide or regional programs and effective incentive schemes. To support this, we expect to support collaborative initiatives proposed by groups of organisations.
We support this objective. The UK Water Efficiency Strategy to 2030 specifically highlights the importance of a wide range of stakeholders collaborating to deliver success - see schematic below from the Strategy.



Waterwise organises or takes part in a wide range of water efficiency networks and events across the UK including the Water Efficiency Forum and we have worked hard to highlight links between water, energy and net zero. We are also an active (and founding) member of the Blueprint for Water eNGO coalition, manage and hold the funds for the Water Efficiency Collaborative Fund which is open to all, and are part of a number of collaborative Ofwat Innovation Fund water efficiency projects (e.g. Water Literacy Programme and Water Efficiency in Faith and Diverse Communities (both mentioned in the consultation document), Water4All, FairWater, and Project Zero).

As well as a wide diversity of organisations involved it is vital for the success of the fund and for it to work nationally then the overall programme needs to be demonstrably supported by the relevant Governments (Welsh and English).

Bring in new thinking, experts and insights from other disciplines and international experience
We support this and believe that Waterwise has an important role connecting the sector with international experiences and expert insights. We have links with water efficiency leaders outside of England and Wales; for example in Ireland, Scotland, Northern Ireland and in Australia and the USA. We also connect closely with out of sector expertise in the UK, including behavioural science and the energy sector as examples. It is also essential, as we set out below, that existing expertise is also drawn on and included.

One point of caution on new thinking is that in terms of behavioural change the context matters, and therefore any new activities must be tested and evaluated to ensure appropriate for water users in England and Wales.

Capture and make available learning from this process to guide future work and create a legacy and continued benefits that are independent of more seed funding or regulatory coordination
We fully support this objective. Reporting and accountability for delivery is paramount and

transparency is key to ensure opportunities for organisations outside the traditional water sector players. A key challenge for the water efficiency community has been ensuring learnings from past projects are taken forward and that future projects are built on these learnings. At Waterwise we help to facilitate this currently through our free to access water efficiency database, and to our annual conference which is a key moment in the water efficiency community's calendar to share insights. We also capture and share learnings via our newsletter (3400 readers across the sector), website and webinars. This is an area we are very well placed to support and, as outlined earlier, the Evaluation Framework we are producing for the Environment Agency may be an important part of this.

Helps progress one or more of the UK Water Efficiency Strategy to 2030 ten strategic objectives
We want to see **an additional objective** added that 'Any funded work should help progress one or more of the UK Water Efficiency Strategy to 2030's objectives'. The strategy was developed with diverse sector involvement and is enthusiastically supported by a Water Efficiency Forum of more than 100 organisations. Given the fund will go through to 2030 it aligns well with the Strategy which provides strategic context. The existing wholesaler UK Water Efficiency Collaborative Fund has already included this link between projects it funds and the Strategy.

2. Given the scale of the fund, how could it best contribute to these objectives?

*(Headline) Although a significant sum, there is little evidence of **whether £100m is enough** to achieve the aims and objectives set out. Ofwat will need to keep this issue under review and develop a contingency plan to increase or extend the fund if necessary.*

Although £100m is a significant sum and a significant and welcome step up in funding for water efficiency, it is only 62p per household per year - a cost per household that should be easily outweighed by the savings delivered per household (including energy savings). It is also a relatively small amount when compared to the scale of planned funding on supply-side investigations (around £250m is being spent on reservoir investigations by just one company). There is also little historic data against which to benchmark the £100m and we should learn lessons from the experiences of net zero progress that it is likely for behaviour change to take place and be sustained it will take more than five years. Taking all these points into account, it is important that Ofwat and the fund governance group closely monitor the effectiveness of the fund and have a contingency plan to increase it if needed, and that plans to extend it into AMP9 should be prepared.

3. What precedents are you aware of that could help guide the design of the fund?

*(Headline) In terms of precedents, we highlight the **UK Water Efficiency Collaborative Fund** which Waterwise helps administer as fund holder. This much smaller fund of £100,000 a year has supported the development of key areas of evidence-led research - into leaky toilets, water labelling, water neutrality, building regulations, water reuse and the development of the UK Water Efficiency Strategy to 2030.*

The Water Efficiency Collaborative Fund
The UK Water Efficiency Collaborative Fund provides a great example of what can be achieved. Set up over 10 years ago, this fund, now managed by Waterwise at the request of the sector, supports research and evidence projects that help ultimately deliver water savings. It has received contributions from all the UK wholesale water companies and currently has a budget of

circa £100k per annum. The fund has been very successful and has been essential in delivering a number of key collaborative projects including:

- providing the evidence of water savings and costs and benefits to support mandatory product water labelling;
- providing the evidence of the scale of leaking toilets and highlighted the issue of confusing dual flush buttons;
- undertaking an independent review of the costs and benefits of rainwater harvesting and greywater reuse;
- commissioning a review and guidance on water neutral development;
- developing updated stats for the sector on the link between water use, energy use and emissions;
- covering the design costs for the new UK Water Efficiency Strategy to 2030; and
- progressing a review of whether Building Regulations water efficiency standards are actually being met in new build houses and whether changes in ambition deliver reductions in demand.

Waterwise manages the fund and there are a small group of water wholesaler reps who make up the Collaborative Fund Board which is the decision making body that decides on what bids get funded. Bids have to show why they are needed; how they are additional/different; how they support water savings; how they link to the UK Water Efficiency Strategy and how the findings will be disseminated - see application form here. There is a scoring system and the Fund Board decides on which proposals are progressed. We would be happy to share more details about the application process and fund.

Whilst we expect the new Ofwat Water Efficiency Fund to focus on delivery, there is an important role for specific research and evidence building to inform policy development. There is a risk this could fall between the cracks if water companies stop supporting the Collaborative Fund because they are already contributing to the Ofwat WEF. To address this Ofwat could include this sort of research in the larger fund; it could make it clear that they expect companies to continue to support the smaller fund or that funding for this sort of work could be routed through the regulators and the proposed Strategic Demand Management Alliance.

Our Campaign Experiences

Waterwise also has a huge amount of expertise running successful UK-wide digital water efficiency campaigns which reach millions of people despite having a tiny budget for ads. For example, our annual Water Saving Week - supported by the sector on social media - typically reaches between 3-4 million people. This reach is because we can make use of organic promotion through our broad network of interested stakeholders and organisations, allowing us to utilise our trusted independent voice to gain support and promotion that helps to widen our message beyond the water sector. This compares to Water's Worth Saving which has a much larger budget (of hundreds of thousands of pounds versus our own around £300 spent on ads, with a focus on organic reach) but does not achieve proportionally greater reach because there is less organic push from other stakeholders.

An example of the reach and impact of Waterwise's campaigns is the Welsh Minister commenting on our Water Saving Week campaign in her speech to the Welsh public, urging them to be water wise this summer and our Dry July campaign being name checked in the EA

Defra press release around water resources across July. As well as the water companies and organisations across the water sector, we also have many large corporations getting behind and sharing our campaign messaging such as BSI, National Farmers Union, The Met Office, Keep Britain Tidy, Refill HQ, The Climate Coalition, Institute of Water, Wildlife and Countryside Link, Natural England, Chilterns AONB, Fluidmaster and many more. For 2023's Water Saving Week for example, as well as reaching 3.4 million people overall, we had 480 organisations get involved and post across the week, highlighting an active response from audiences. We are also leading the campaigns and interventions part of the Water Efficiency in Faith and Diverse Communities, utilising our expertise in campaigns and behaviour change to help to identify how we can communicate with different audiences and those that traditional ways of engagement may not have reached. This will be an integral piece of work in shaping how we move forward and engage with harder to reach customers, broadening our understanding and also how behavioural change campaigns will expand and develop.

We also know the importance of evaluation and how key it is in terms of identifying, prior to the campaign a baseline, and then post campaign evaluation in order to determine success. These should be wider than impressions and reach and go into further criteria. This is what we hope the EA Behaviour Change Toolkit will ultimately do - create a methodology for the collation of data and identification what works and doesn't work when it comes to water efficiency campaigns.

Our voice is a trusted and credible source that is not only utilised within the industry but also wider than that - we are regularly called in as the experts for a number of different projects eg 50 Litre Home Coalition (which we are a partner on alongside IKEA, P&G and more), and our recent Thirst for Change collaboration with BSI has been picked up by BBC, all the UK broadsheets and by international media. We have appeared on Sky News, BBC breakfast, lots of different radio stations and print including the Guardian, Times, Sun and more.

On the link here is our document prepared for Defra, setting out what the hallmarks of successful national water efficiency campaigns should be. These include having independent voices at the heart and seen to be so; clear governance, being more than a water industry campaign; and clear measurement of its actual water saving impact, for example using smart meters; having the right experts involved; influencing behaviour as well as awareness-raising; covering businesses and households; and hooks and resources to embed change in communities.

4. Should the fund be divided into segments? If so, how could we best do this to make it as effective as possible?

(Headline) As the UK's independent experts and campaigners on water efficiency, Waterwise agrees that ***the fund should be segmented*** *to ensure it helps deliver water savings, and believes that this should primarily be by topic (e.g. supporting water-saving technology, smart use of data and behaviour change). It should focus on areas where there is the most potential for savings in the shortest timeframe - for example high water users in both homes and organisations and continuous flow. We are pleased to see that the fund will cover both household and non-household water saving opportunities but would avoid a strict splitting of the funding into a household (HH) and non-household (NHH) pot due to overlaps, and instead would suggest reserving a base chunk of money to support NHH-only initiatives. Waterwise would not recommend segmenting by geography, given that all regions in England and Wales need to deliver*

demand reductions, and considers that phasing within projects may be needed as well as phasing by time but in the context of the urgent need to press on and deliver savings.

We agree that the use of segmentation would help with its management and focus and to align with the type of things that may need funding. However, there needs to be an overarching framework as there will inevitably be overlaps. Asking project proposers to set out how their project helps support delivery of the UK Water Efficiency Strategy to 2030 could be one way to help provide that. As highlighted in our response to Q12 there needs to be clear governance and an expert advisory panel involved in the decisions made who can look across the portfolio of interventions.

The three intervention-based segment areas suggested do align well with objectives within the UK Water Efficiency Strategy to 2030, which has a mixture of strategic objectives focused on behaviour change, better use of data and technological interventions. We welcome the idea of sector level work to provide insights into water use from smart metering data as this information has the potential to make a significant difference in targeting behavioural and technological interventions and supporting their evaluation. There is a need for some longitudinal studies for water efficiency that could potentially be included via this funding route to enable ongoing learning for the future. Defra does undertake a regular survey of water-using behaviours which could help with this.

We are pleased to see the fund covering both household (HH) and non-household (NHH) water use but we would not propose splitting the fund between HH and NHH water using interventions as many projects will be cross cutting - for example many campaigns will be relevant to both HH and NHH water users and much NHH use is for domestic purposes. An alternative approach could be to reserve a core chunk of say £10m for NHH-only activities. Given the fund is drawn from public money, it may be more acceptable to some if it prioritises physical interventions that reduce water use in the public sector (schools, hospitals etc), rather than helping large businesses save water for their own financial benefit - though there is a counter argument that the fund should be focused where it can deliver greatest water savings for society.

There may be merit in phasing the fund, however we feel that this fund should be aiming to deliver on already recognised projects that need support to scale up - Phases 2 and 3. In this case Phase 1 is less needed (and should continue to be supported via the innovation funds or organisations own R&D work). Individual projects themselves can be phased with funding of latter phases linked to successful demonstrations of potential. There may be some projects that are already Phase 3 ready and we need to speed up rolling out. The fund management may want to tender for delivery of interventions or activities at a particular point in time to ensure delivery in a certain window.

We do not think a geography segmentation is necessary. The aim of the fund is to support the scaling up of nationwide activities and the addition of geographic segmentation could limit ambition. We know that water efficiency can help reduce bills (water and energy) and this is something that is vital nationwide. In addition, there are already scarcity and drought issues across all regions of England and Wales.

5. Where do you think the greatest demand reductions could be made? What examples or evidence can we draw from to make sure the most important areas are targeted?

*(Headline) In terms of **where demand reductions can be realised** by the fund, Waterwise refers Ofwat to the recently published UK Water Efficiency Strategy which sets out a number of potential interventions and quantifies their likely water savings. Waterwise believes that the biggest short-term opportunities are likely to be from reducing water wastage in HH and NHH properties, targeting high water users and changing behaviours (linked to smart meter roll-out). Longer term, building regulations and the mandatory water label will play an increasingly important role and the fund should support efforts to ensure this key new policy lands well and delivers its potential.*

As highlighted in our response to Q1, the UK Water Efficiency Strategy to 2030 should be a key document to influence the decisions on which activities are important and should be targeted. Table 2 in the Strategy (shown below) provides an indication of the potential scale of savings that could be achieved by 2030 based on a number of interventions.

Table 2 Estimated 2030 UK Water-saving potential of various interventions linked to the strategy

Intervention and link to Strategic Objective	Estimated 2030 UK Water Saving Potential	Assumptions
A. Smart meter roll-out helping reduce consumption (SO2)	>350 Ml/d	1 million household smart meters a year rolled out annually to unmetered households with 15% reduction in household consumption.[120]
B. Water efficiency label in place (SO8)	>300 Ml/d	Mandatory label with minimum standards in place for 5 years and linked to requirements for new build and large scale retrofit.[121]
C. A third of new housing developments are made water neutral (SO6)	>200 Ml/d	Assuming 250,000 houses per annum x 7 years x 33% made water neutral.[122]
D. Leak-prone loos are being eliminated (SO9)	>200 Ml/d	All leak-prone toilets off the market and half of the installed leak-prone toilets replaced in homes and organisations by 2030.[123]
E. Confusing dual-flush toilet buttons eliminated (SO9)	>200 Ml/d	Assuming on average each person is wasting 3.5 litres per day through incorrect use, this could be in the home or elsewhere.[124]

F. Reduced wastage in NHH sites (SO2 and SO10)	**>150 Ml/d**	Assuming 25% supply entering non-household sites is continuous flow and/or leaks and is reduced by 20% by 2030.[125]
G. Water reuse is included in all large new developments in water-stressed areas (SO6)	**>150 Ml/d**	Assuming developments with a collection area threshold over 2,000 m^2. [126]
H. Water-saving home visits and retrofits (SO7)	**>60 Ml/d**	Assuming 2 million homes saving 10%.[127]
I. Showers fitted with behavioural devices and nudges (SO3)	**>50 Ml/d**	Assuming 3 million devices fitted leading to 20% shorter showers.[128]
J. Campaign savings (SO3)	**>100 Ml/d**	Assuming 20 Ml/d savings[129] from Save our Streams x 5 regional campaigns.

The Strategy also includes case studies and examples of areas to target.

We believe that the biggest short term opportunities for reducing demand are reducing water wastage (including detecting and fixing leaks in HH and NHH properties) and changing behaviours, with the roll-out of smart water meters linked to both. The Water Literacy Project, currently funded as a pilot by the Ofwat Innovation Fund, could transition across to this fund in 2025 and be quickly scaled up, building on the success of the Carbon Literacy Project.

We also believe that there is a need for a strong communications campaign to promote the new water demand reduction target to water-using businesses and this is something that the Strategic Panel is currently considering. We have the expertise and the knowledge to draw on our existing campaigns such as Water Saving Week and Pledge - see our Hallmarks of a Successful Campaign here, as well as our trusted, independent voice.

Longer term, improving building regulations and the new mandatory water label will play an increasingly important water-saving role, and both are included in the government's Environment Improvement Plan and the Integrated Plan for Water. The fund should support the roll out of a consumer information campaign when the water label is launched, to help ensure it lands well and people understand it and can start to make more informed choices when purchasing new water-using products.

6. Do you support our current preference for funding a small number of large initiatives?

*(Headline) Waterwise supports the preference for the fund focusing on a **small number of large-scale initiatives**, given the scale of the demand reduction challenge and the savings needed in the next decade.*

Overall we support the preference for funding a small number of large-scale initiatives, given the scale of the demand reduction challenge and the savings needed in the next decade. These large-scale initiatives should take forward interventions that have already been shown to be effective in delivering water savings (see our response to Q5). That said, a large-scale initiative

may be split or sub-divided into smaller projects (for example a programme of community rainwater harvesting would need different approaches depending on the locations).

As highlighted earlier, we believe that it is important that there remain other opportunities outside this fund to support smaller and/or more innovative projects and pilots. For example, through the Ofwat Innovation Fund, the Market Improvement Fund and the UK Water Efficiency Collaborative Fund. This helps ensure we continue to test and learn and have the ability to bring forward future effective projects that can then be supported through this fund.

7. How can we best make the water efficiency fund work for both England and Wales and make sure it takes into account the differing policy context?

(Headline) The fund should ensure an advisory panel includes at least one Welsh representative who is part of the Wales Water Efficiency Group. Key policy work to ensure decisions are considered using include the Sustainable Management of Resources and the Well-being of Future Generations.

Wales has an active Water Efficiency Group made up of stakeholders from the country that meets regularly to both discuss opportunities, share views on consultations and work together on projects to help encourage water saving in the Welsh context.

The group has discussed the fund, and while there are different policy contexts, the view is that England and Wales would benefit from the fund not specifically being segmented due to geography. Examples of why this is relevant include crossing geographical boundaries of the very environment we are looking to protect, such as rivers and catchments; and the high tourist impact in Wales which attracts visitors from across the UK and abroad; while there are also those who travel into England too. Finally, there are important non-household uses that are likely to be similar across countries.

The group recommends that some of the funding is allocated to ongoing horizon scanning and research to ensure that across England and Wales we are ready for the impact of next generation industry/technologies/societal changes.

The Welsh Government and all public bodies in Wales have a statutory duty to include, where appropriate, the SMNR principles (Environment Act 2016) and the Well-being Goals (Welling-being of Future Generations Act 2015). Therefore decisions should be made to ensure Welsh specific policy such as the Sustainable Management of Natural Resources, and the Well-being of Future Generations are considered in decision making alongside any England relevant pieces. Also where communication campaigns are developed, while the overarching campaign may be consistent, they should test and consider the importance of Welsh heritage and culture as important tools for a successful campaign - and of course use of the Welsh language will be a requirement.

We would recommend that any advisory panel for decision making should include representation from the Wales Water Efficiency Group to ensure Welsh perspectives are considered (as discussed in Q12 those sitting on this panel should not be precluded from also being involved in delivery of initiatives if correctly managed).

8. Do you support our current thinking on eligibility and scope? How could it be improved?

*(Headline) As the UK's independent experts and campaigners on water efficiency, Waterwise agrees that the fund should support **interventions that are additional** to those funded in the WRMP24 plans. However, this means that Ofwat/EA will need to publish an analysis of what is included in those plans so that it is clear to bidders what counts as additional to avoid wasted effort. This focus on additionality also means that the fund must build on and not undermine delivery of the wider water efficiency agenda including Waterwise's work with and support from water companies (see Q9 and 12).*

*(Headline) Waterwise does not fully agree with the comment that the fund should not support projects looking to deploy just a **single product**. We feel this is overly restrictive, and there may be occasions when there is a single solution available at scale. However, we agree that where possible, funded solutions should not be reliant on a single product.*

*(Headline) Waterwise does not believe that the fund should focus, in any significant way, on seeking **innovation**. The Ofwat Innovation Fund should continue to do that. The Water Efficiency Fund should focus on the delivery of water savings, bearing in mind the urgency of the challenge and the fact that there are lots of proven water-saving interventions that could be delivered at scale from wastage fixes to installing flow regulators. In many cases, significantly scaling up approaches will yield greater water-saving benefits than developing new approaches. Where projects in the Ofwat Innovation Fund show promise, they can transfer across to be further supported in their delivery through the Water Efficiency Fund - for example, Waterwise is pleased to see the consultation document reference the Ofwat Innovation Fund **Water Literacy Project**. Building on the success of the Carbon Literacy Project, this project will raise awareness of the need for water efficiency and equip learners with the knowledge to save water, working with community groups and businesses. This project recently secured Ofwat Innovation Fund support for a pilot and, if successful, could transition to the Water Efficiency Fund in 2025 for scale up, as part of the behaviour change segment. This bottom-up approach would support top-down campaigns.*

Generally we support it but we believe the approach to eligibility and scope should be developed further with a small expert advisory panel, as it will be key to how project bids are evaluated. The panel can include organisations who may be part of future project bids - as long as clear conflict of interest procedures are in place and the panel is diverse and with an independent chair.

Some initial thinking on the areas outlined so far include:

Impact - We agree that funding decisions must include consideration of whether the intervention delivers meaningful, measurable and sustained water savings, although the latter may need a commitment to longer-term monitoring beyond the life of the intervention to demonstrate it.

We support the importance of selecting what to fund based on the best value for customers, but this needs to be broader than just a financial case. It should also take into consideration the value added to other capitals as a project may deliver additional natural capital or social benefits which makes it potentially more impactful than others overall.

We do not necessarily support the condition proposed that the fund would not support deployment of a single water-saving product. We believe this is unnecessarily limiting. For example, there could be a proposal for a large-scale roll-out of in-property flow regulators in parts of the country where there are significant savings to be made from regular to water

pressure and flow rates. Would this be refused because it is deploying a single product?

Care must be taken to ensure that any funded interventions do not create other unacceptable impacts. For example, during our consultation for the UK Water Efficiency Strategy to 2030, the importance of ensuring water-saving actions do not harm water quality was highlighted.

We also need to see all funded work assessed against its impact on Equity, Diversity and Inclusion implications.

Additionality - We agree that any funded interventions or activities need to be additional to what is already in the WRMP24 plans and in PR24 business plans. However, as highlighted elsewhere, this requires publication of a collated list of what is included in those plans (e.g. type of intervention, scale, timing, location, predicted savings etc) - so that this can be clear to bidders in advance so they do not waste time submitting ideas that would not be accepted.

Timing and Delivery - We agree that any funded intervention or activity must include a credible plan to achieve the committed activity. This should include the overall approach; tasks; key milestones; the project team and a risk management strategy. We are concerned about introducing a mandatory requirement for sponsors to part fund any supported interventions or activities and believe this could be optional and taken into account in the bid assessment process as one measure of commitment.

Innovation - As highlighted earlier in our response to Q1, while we would agree that there are opportunities for innovative approaches, we caution that this fund should not focus too heavily on the need for bids to demonstrate innovation. Rather this fund should focus on supporting the scale up or roll-out of activities that already have some evidence of their water-saving capability. More innovative projects should be routed through the Ofwat Innovation Fund.

Collaboration and eligibility - We support the fund in encouraging collaborative solutions and we do think there should be the opportunity for initiatives to be supported without water company involvement in delivery. For example, a large metropolitan council might bid to install water-saving devices in its area in addition to what the local water company is doing, as in the Sussex North water neutrality example where the local authorities are planning to install flow restrictors in social housing to save water and enable wider developments to go ahead.

Evaluation - This is a vitally important area. It is crucial that funded projects are properly evaluated in a consistent and transparent manner and the learnings disseminated to get maximum value from the fund and to help secure its legacy (see below). However, this is an area that has proven a challenge in the field of water efficiency, particularly in the case of behaviour change campaigns. One potential solution would be for the fund to set out its minimum expectations in terms of evaluation, referring to best practice guidance where relevant and, as highlighted in the consultation document, ask bidders to include an evaluation plan that can be scored against those expectations.

Based on our experience with a number of Ofwat Innovation Fund projects such as Water4All, it can be extremely difficult for water companies to share consumption data with third parties, even when it is anonymised. Data sharing agreements can take months or even years to sort out. If projects under this fund are to be properly evaluated, this issue will need to be addressed

as soon as possible, potentially by developing a sector-wide agreement that companies will be able to share data to a fixed resolution.

Legacy - We support this as a key outcome of the work. Waterwise can play an important role here in continuing to share and promote the learnings from the fund across the UK and internationally during the fund period but also beyond 2030. We will towards the end of AMP8 be reviewing the UK Water Efficiency Strategy to 2030 and we would expect the experiences and learnings from the Water Efficiency Fund to play a key role in helping guide the focus for the future strategy.

We assume that where interventions supported by this fund are shown to be effective, those relevant to water companies may be scaled up further by inclusion of further funding in WRMP29 plans.

9. How can we most effectively bring in expertise from other sectors and disciplines while also making use of and nurturing the expertise that already exists in this sector?

(Headline - Question 9 and 12) As the UK's independent experts and campaigners on water efficiency, Waterwise can add a huge amount of value to the fund - ensuring it is effective and securing its legacy by drawing on our expertise, independence and trusted voice. Areas where Waterwise can add value include:

a. ***Providing trusted and independent strategic expertise and advice*** *to support the governance of the fund*
b. ***Supporting the delivery of water-saving interventions and projects*** *as part of collaborative consortia, including through taking forward and scaling up the Water Literacy training and accreditation programme*
c. ***Drawing on our experience in undertaking national campaigns*** *such as Water Saving Week, Dry July and Pledge, including working with a variety of partners and stakeholders to amplify water efficiency messages -* ***to help deliver further national campaigns, using our trusted independent voice***
d. ***Continuing to support efforts to successfully implement supportive water-saving policies****, supported by evidence-led research (e.g. water labelling, leaking toilets, building regs)*
e. ***Enabling dissemination of learnings and sharing of best practice****, including through our UK links and networks (covering Scotland and Northern Ireland as well as England and Wales) and international networks, our water efficiency newsletter, webinars and the annual Waterwise Conference*
f. ***Linking the fund to the overarching UK Water Efficiency Strategy to 2030*** *and to the existing wholesaler UK Water Efficiency Collaborative Fund*

(Headline - Question 9 and 12) It is ***critical that the design of the fund and its governance does not prevent Waterwise from adding maximum value to it or prejudice Waterwise's broader, and independent, role in promoting water efficiency*** *in the UK since 2005. No-one else does exactly what Waterwise does or has as comprehensive a knowledge, insight and programme of work to drive water efficiency - and Waterwise has the independence to help ensure trust, as well as holding strong relationships with all organisations in the UK water sector and, crucially, beyond it. Maximising water savings through aligning Waterwise's work and that of the Water Efficiency Fund could be achieved by:*

a. *Ofwat mandating that Waterwise as the independent experts, can provide expertise into any Advisory Panel and add value by being involved in delivery interventions such as projects and campaigns; taking appropriate action to avoid conflicts of interest where relevant*

b. *The fund supporting the broader activities of Waterwise which are part of securing water efficiency delivery and demand reductions. For example, the fund could support Waterwise running an annual dissemination event/conference; drafting and issuing a monthly water saving newsletter, continuing with research and campaigns alongside new ones funded by the Water Efficiency Fund (see the additionality point above); and managing the UK Water Efficiency Strategy and Water Efficiency Forum;*
c. *The funding criteria requiring bidders to link what they are offering to the Waterwise UK Water Efficiency Strategy and strongly encouraging (or requiring) engagement with Waterwise as the independent experts, as part of any submissions, for example on any national water efficiency campaign.*

There is much to learn from other sectors. For example how the government and the energy sector has worked to change behaviours on energy efficiency and net zero and how the insurance industry is supporting customers to reduce in-property leakage which also reduce water wastage. To ensure that expertise from other sectors can be drawn upon there are a number of things that the fund can do. For example:

- Involve and support organisations such as Waterwise. Waterwise already engages across a range of sectors to promote water efficiency (agriculture, horticulture, food production, leisure, education, developers, manufacturing) and can leverage broader insights whilst avoiding duplicated effort. The UK Water Efficiency Strategy to 2030 and the associated Water Efficiency Forum already connect into many sectors and also into Scotland and Northern Ireland. Our monthly newsletter goes out to 3400 people and organisations and our annual water efficiency conference attracts 100s of participants each year from a range of sectors and disciplines.
- Include experts from other sectors in any overarching advisory panel for the whole fund or for relevant parts of the fund such as the smart data piece.
- Include a criterion in the bid/intervention assessment model that asks how the the project will integrate expertise and learnings from other sectors and disciplines

One useful early action would be to draw up a Communication Plan for the fund that maps out who needs to be informed/consulted/engaged/involved, why, how and when.

It is crucial that the fund does not put at risk the long-term viability of Waterwise. If Waterwise isn't able to secure sufficient funding to sustain its operations due to the fund coming into play (for example our water industry supporters pulling their support to Waterwise due to budgets being squeezed and them already being required to contribute to the Water Efficiency Fund) then not only could we not then support the fund but our wider activities such as our policy advocacy work; our networks and events including the annual Waterwise conference, our independent voice and challenge to the sector and our work to progress the Waterwise UK Water Efficiency Strategy to 2030 could all be lost. It is absolutely certain that, whilst we do believe it will be game-changing, the fund alone will not provide everything that needs to be done on water efficiency. The challenge to date has not only been one of scale and commitment, it has also been one of funding, and of policy, legislative and regulatory barriers. Waterwise has driven change and worked closely with key stakeholders across the sector, and some of these policy and regulatory barriers are now being addressed, but it is unrealistic to assume that projects alone, however large-scale, are the only solutions needed.

There are a number of ways the fund can be designed that could help ensure the above, highly undesirable, scenario does not unfold. For example:

- The fund could be set up so as to mandate Waterwise involvement providing strategic advice, while enabling the organisation to also provide delivery support
- The fund could specifically fund the broader activities of Waterwise that are part of securing water efficiency delivery and demand reductions. For example, as well as covering the costs for any strategic advice the fund could specifically support an annual dissemination event/conference; a monthly water-saving newsletter and the costs associated with the management of the UK Strategy and Water Efficiency Forum, as well as our policy and regulatory influencing work
- The funding criteria could require bidders to link what they are offering to the Waterwise UK Water Efficiency Strategy and could strongly encourage engagement with us as part of any submissions.

10. What are your views on whether the involvement of water companies in England and Wales should be a requirement or whether the fund could support initiatives with no involvement from water companies?

(Headline) Waterwise supports the fund in encouraging collaborative solutions and suggests there should be the opportunity for initiatives to succeed in bidding into the fund ***without mandating water company involvement in delivery****. Waterwise can support this, drawing on our extensive network of UK and international water efficiency contacts within and outside of the water sector.*

Ideally we would want to see water companies involved in projects but it shouldn't be a mandatory requirement. The UK Water Efficiency Strategy to 2030 highlighted the importance of a wide number of organisations and sectors to be involved in making an impact and therefore our view is we should not limit this to needing water company involvement.

Behaviour change research highlights the importance of credible and trusted messengers. Depending on the initiative proposed it may be that the inclusion of water companies as part of a project may detract from the message and have a negative impact on the outcomes. There may also be other examples where water company involvement may not be required, such as a group of local authorities that want to progress the installation of water saving devices in social housing or a business sector looking to roll out leak detectors across its members or offices.

There will need to be agreement however on how water companies will be involved in enabling the required evaluation of activities via the provision of data. As we highlight in our response to Q8, it can be extremely difficult for water companies to share consumption data with third parties, even when it is anonymised.

11. How do you think this fund should be operated?

(Headline) As the UK's independent experts and campaigners on water efficiency, Waterwise suggests that the fund management body supported by the Advisory Panel ***scopes out and tenders*** *for both the national collaborative water efficiency campaign and the sector work, to optimise the value from smart meter and other data - potentially mandating Waterwise's involvement in certain areas. Beyond those two key areas, proposals could be invited from the market to deliver large scale water savings through a more open process more akin to the Ofwat Innovation Fund.*

Our response to Q12 below covers the organisation/governance aspect. In terms of how the fund is operated we would expect to see a mix of approaches used depending on the topic and timing. For example:

Procurement and funding

Behaviour change - within this segment the fund could go through a traditional tendering process setting out in 2024 what is needed and proceeding through a two stage tender process with a pre-qual step to avoid wasting too much time from too many bidders. The scope and bid assessment criteria would be crucial and the Advisory Panel could help develop both. This approach might help ensure the water saving interventions happen almost immediately in the 2025-2030 window.

Smart use of data - within this segment there could be a mix of a large scale tendered piece of industry wide work along the lines suggested in the consultation document together with some funding set aside for bids which might come from other sources such as technology companies.

Technological solution delivery - this segment is likely to lend itself to a process more akin to the Ofwat Innovation Fund with proponents of large scale pilots and roll-out projects bidding for support on an annual basis. It may be useful for Ofwat to provide some guidance on areas where they would encourage bids each year.

Tracking progress and feedback

As well as ensuring that the water-saving effectiveness of projects is evaluated, there will be a need for regular reporting back from projects on their progress and on any risks - transparency is key. KPIs could be used at a macro level to summarise the effectiveness of the fund. This process could be managed by the delivery partner with summary information cascades to the fund governance groups (see Q12).

Communication and Dissemination

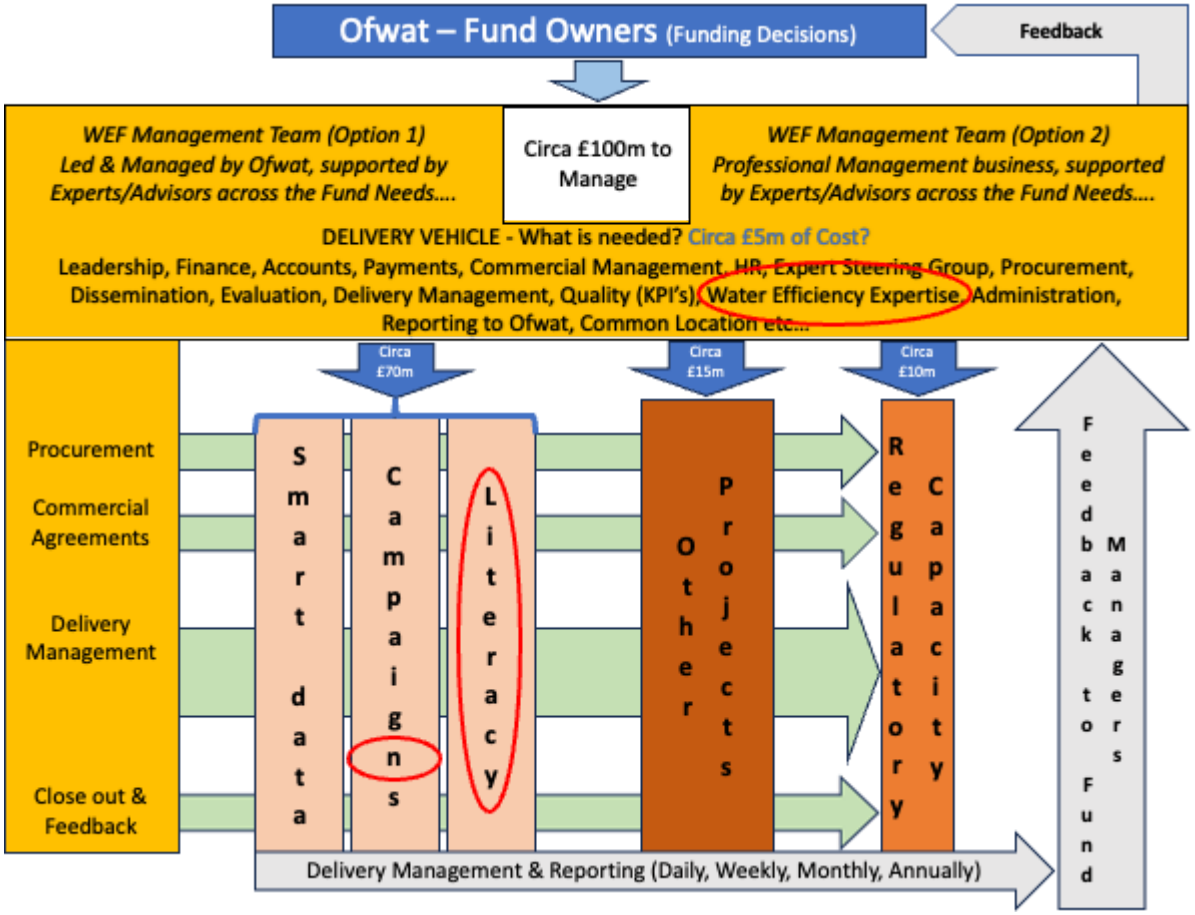
In the run up to and during the fund's operation it is vital there is a Communications Plan which maps out who needs to be informed/consulted/engaged/involved, why, how and when. Communication and dissemination is an area where Waterwise can support the fund - through our many water efficiency networks and stakeholder contact relationships across sectors, across the UK and internationally. As highlighted in our response to Q9 it could be part of a package of funding that the WEF provides to help us cover the costs of running an annual dissemination event/conference; a monthly water saving newsletter and the cross-sector Water Efficiency Forum, as well as our policy and regulatory influencing work.

12. What sort of governance do you think would best support this work and who should be involved?

(Headline) - also see our response to Question 9 above. In summary, Waterwise can offer maximum value to the fund by being part of the ***Strategic Advisory Panel*** *and by being able to join consortia bidding for* ***delivery elements*** *such as the national campaign plus supporting the Fund on* ***dissemination****. Any potential conflicts of interest can be noted and avoided, as already happens under the Innovation Fund and the Water Efficiency Collaborative Fund. It is important that the fund governance design supports and builds on the value that Waterwise can provide. We*

would also note that the Senior Water Demand Reduction Group, which Waterwise CEO Nicci Russell chaired at the request of the Secretary of State, was effective in producing strong recommendations, many of which have been taken forward, despite having no budget, and that it became even more successful when Defra, the Environment Agency and Ofwat - audiences for the recommendations - became Observers rather than full voting members. We welcome references to Waterwise in the consultation document - on our 2023 UK Strategy and on governance, and of two of the Innovation Fund projects we are involved in - and we request that the next consultation on the fund explicitly set out Ofwat's proposed roles for Waterwise - we know that many key players in the sector value our work and are concerned that it may be at risk if all funding is diverted into the Water Efficiency Fund.

The schematic below sets out our current thinking of how the governance could be set out for the fund, with Waterwise adding value across a number of areas circled in red. More detail of the potential items that may be covered in each area is presented in Annex A. We believe there will need to be a small Governance body responsible for the fund, supported by a broader Expert or Advisory Panel to provide advice on where the fund is likely to be most effective; to help provide challenge and ongoing advice to the fund managers. Where relevant, participants in the Advisory Panel need to be able to recover their participation costs.



One potential model is for a small core governance team to cover both the Water Efficiency Fund (WEF) and the Strategic Demand Management Alliance (SDMA) proposed by the Environment Agency (e.g. Defra, EA, Ofwat) and for a wider Advisory Panel that also supports both (including CCW, Waterwise, Water UK, WCL, MOSL and others). This might help avoid duplication and would ensure any learnings from the SDMA feed into the WEF and vice versa. We believe that CCW's ARID proposal could be accommodated within this approach.

As highlighted in other sections of our response, it is very important that an individual expert being part of such a panel does not rule out their parent organisation adding value elsewhere for example being part of a water saving project or campaign supported by the fund. We are pleased to see this recognised in the consultation document and believe that it will be relatively straightforward to resolve any potential conflicts of interest, with specific decisions over funding work involving a parent organisation made without input from a conflicted expert individual. There is precedent for this in the Ofwat Innovation Fund where being a fund judge does not preclude the parent organisation from bidding for any funding (i.e. judges include reps from CCW, WRc and Arcadis and Arup and Isle are fund delivery partners. A number of these parent organisations are also part of successful funding bids such as Arup in the Enabling Water Smart Communities project). Likewise one individual from Waterwise sits on the decision making board of the UK Water Efficiency Collaborative Fund but does not vote on specific funding decisions.

13. How can we best protect customers' investment in this area and ensure appropriate use of the funds?

(Headline) Ofwat can help ensure that customers' investments are protected and the fund is used appropriately by ensuring there is a diverse Expert or Advisory Panel; that funding decisions are based on well evidenced proposals with clear project plans; and that there is ongoing scrutiny of how the fund is delivering water savings (and wider benefits). Attention to equity, diversity and inclusion, and ethical assessment, as well as ongoing evaluation, is also important.

It is important that the customer investment in this area is appropriately spent and protected. This should start from the governance around the fund ensuring that there is a diverse (in the widest sense of the word, for example noting protected characteristics) expert panel involved in the decision making to reduce bias and to ensure the impact of the spend is monitored and that the process has opportunities to halt progress/spend if concerns are raised. Waterwise can bring experience here from our role over 18 years focused on water efficiency in the UK and involvement in the development of a number of water efficiency-focused policy and behavioural actions.

Ensuring only activities that have already been well evidenced and tested are funded will reduce the risk of the spend being used inappropriately. Having a clear project plan as part of submissions will enable ongoing scrutiny of the work and the funding can be delivered in a phased approach.

We would add that protecting customers should not just be about the use of funds. The Water Efficiency Fund should ensure there is adequate attention to EDI (equity, diversity and inclusion) and reducing unconscious bias in decisions to ensure the funding is fairly distributed. It should also ensure where a project has a behaviour change focus that a clear ethical assessment of the activities has been undertaken and all customer data and information is secure. A proposal should also outline any risks to potential backfire or spillover effects from a behaviour change and how these will be assessed and evaluated.

14. What should be the role of the fund in bringing in new thinking and facilitating exchange of ideas?

(Headline) Waterwise can provide valuable support to the fund in helping bring in ***new thinking and facilitating the exchange of ideas*** *through our national and international water efficiency networks; our water efficiency newsletter; annual conference and our campaigns and research. The fund could support Waterwise financially in these areas and others, to build on what we already do.*

We believe the fund should promote new thinking and help facilitate the exchange of ideas - as well as drawing on existing expertise. However, we are keen to see it build on rather than duplicate existing events in the water efficiency community's calendar such as the annual Waterwise water efficiency conference and Water Efficiency Forum.

When we consulted on the UK Water Efficiency Strategy to 2030, a key message from consultees was the need for opportunities to enable more conversations and idea exchange across organisations. This led to the establishment of a more open Water Efficiency Forum, chaired by Sarah McMath, MOSL CEO, in an independent capacity - which had its first meeting in 2023 and meets every 3 months. The forums held so far have been enthusiastically supported, with more than 100 organisations involved. The fund could support the ongoing development and running costs of the forum together with further meetings or dedicated sessions and webinars - something Waterwise is well placed to help facilitate.

Over the years the Waterwise Conference has been the key event for exchange of ideas showcasing new thinking and innovations. Examples include the first discussions of water neutrality for new developments, water labelling experiences in Australia, early water saving evidence from smart meter roll-outs, the need for action on leaky loos. The fund could help support the facilitation of the conference and also opportunities for further showcasing via events and webinars.

15. How can we harness and balance competition and collaboration while minimising the impact of time spent developing unsuccessful proposals?

(Headline) The fund can harness and balance competition and collaboration by using the learnings and expertise from existing schemes such as the Ofwat Innovation Fund and the UK Water Efficiency Collaborative Fund. Furthermore ensuring that the fund sets out problem statements; is clear on the additionality test and makes use of a tender pre-qualification step where appropriate could minimise the impact of time spent developing unsuccessful proposals.

Whilst getting the balance between competition and collaboration right is a challenge, the Ofwat Innovation Fund and the UK Water Efficiency Collaborative Fund which Waterwise helps administer have both shown that it is possible to promote collaboration whilst retaining an element of competition. It has also been possible in the non-household market where groups such as the Retailer Wholesaler Water Efficiency Sub-Group, on which Waterwise sits, and the Market Improvement Fund, balance the delivery of water efficiency agenda with the need not to prejudice competition in the market.

In terms of bidding effort there are a number of ways that the fund could look to minimise this including:

- setting out a number of problem statements to focus open bids on specific areas that the fund is looking to support (e.g. roll-out of flow restrictors in social housing, installation of leak detectors in homes that have had a leak when the leak is fixed)
- issuing a tender with a pre-qualification step to procure what the fund wants to progress; this could reduce the number of bidders to 3 or 4
- publishing an analysis of what is already included in WRMP24 so that bidders don't fail the proposed "additionality" test.

16. Is there anything else we should consider in terms of timescales?

*(Headline) There is a risk that a very promising large-scale intervention may be proposed in the latter two years of the fund that would need to **run beyond 2030**. There needs to be scope to allow this to happen.*

The timescales proposed look appropriate and ambitious. We are keen to see the fund up and running and delivering savings as soon as possible and so are pleased to see that the plan is to launch the fund in Summer 2024 ahead of the start of the next AMP in April 2025.

There is a risk that a very promising large-scale intervention may be proposed in the latter two years of the fund that would need to run beyond 2030. There needs to be scope to allow this to happen potentially by receiving some funding to be paid beyond 2030 or by committing to a further iteration of the fund to cover AMP9. On this latter point we believe that it would be useful to add a milestone say halfway through AMP8 (by end of 2027) at which point Ofwat confirms or not whether a further iteration of the fund is planned in AMP9.

17. How can we best create a legacy beyond 2030?

*(Headline) As the UK's independent experts and campaigners on water efficiency, Waterwise has been driving water efficiency in the sector since 2005 and has strategic commitments and aims beyond 2030 - so is in an excellent position to help **ensure the legacy of the fund**. The primary way to do this is to ensure that the learnings from the interventions supported by the fund are shared. Waterwise can help with this, and has experience of doing this over the last decade with our Water Efficiency Knowledge Base database and through our various events, our monthly newsletters, webinars and our annual conference.*

Waterwise has been around since 2005 and has plans to drive water efficiency beyond 2030 so is in an excellent position to help ensure the legacy of the fund.

The primary way we believe to ensure that there is a legacy beyond 2030 is to ensure that the learnings from the interventions supported by the fund are shared. We believe Waterwise can help with this and we have experience of doing this over the last decade with our Water Efficiency Knowledge Base database and through our various events, our monthly newsletters, webinars and our annual conference. One of the conditions of funding in the current UK Water Efficiency Collaborative Fund is that there is a dissemination plan and that the outputs are made publicly available through the Waterwise website unless there is a good case not to do so.

As highlighted above it would also be useful to set a milestone of say halfway through AMP8 (by

end of 2027), at which point Ofwat would confirm whether or not a further iteration of the fund is planned in AMP9 as ensuring funding past AMP8 is a key way to help create a lasting legacy.

18. Do you support the idea of a scoping study to help focus the fund? If so, what should this look at?

*(Headline) Waterwise supports the proposal to undertake **a scoping project** to help inform the design of the fund - on the proviso that it draws on the UK Water Efficiency Strategy and our wider experience and therefore, as the UK NGO and leading independent expert on water efficiency, that we are actively involved in it.*

Waterwise supports a short Scoping Study to help inform where the fund might initially deliver most value. It could consider where the biggest savings can be made in the short term (e.g. reducing wastage, flow controllers, awareness raising including of target with NHH sectors, smart meters), medium term (water using behaviour changes linked to smart meters, water label roll-out) and longer term (water label and improved building regs) and how best the fund can help enable/leverage those savings.

Given the link between the fund and The UK Water Efficiency Strategy to 2030 and our position as the leading NGO in this area we would expect to be included in the project team or project steering group progressing the Scoping Study.

19. Do you have any other relevant views or perspectives that you would like to share?

(*Headline*) *Separately to the fund, there are proposals from the Environment Agency for enhanced national regulatory governance for demand management (**Strategic Demand Management Alliance**) together with a stakeholder Advisory Group. Waterwise supports these proposals and would encourage examination of synergies with existing water efficiency groups and with the governance of the Water Efficiency Fund.*

(*Headlines*) *We also repeat below our overall headline thoughts on the consultation:*

- As the UK's independent experts and campaigners on water efficiency, **Waterwise strongly supports the proposal for a Water Efficiency Fund**. We agree with the rationale and objectives of the fund but believe it needs to link more clearly to the UK Water Efficiency Strategy to 2030, which provides the strategic framework for water efficiency and was co-created with over 100 organisations.

- Waterwise agrees with **segmenting the fund** by the water-saving topics proposed (behaviour change; smart data; and technology/wastage) and that it should fund a small number of new large-scale initiatives which deliver measurable and sustained household and non-household demand reductions. However, we do not think the fund should overly focus on innovation, which is covered by the Ofwat Innovation Fund, but instead should focus on the scaling up of interventions already known to save water.

- Waterwise agrees that the fund should **support interventions that are additional** to those funded in the WRMP24 plans. This focus on additionality also means that the fund must build on and not undermine delivery of the wider water efficiency agenda including Waterwise's work with and support from water companies. Waterwise's work will play a key part in the legacy of the Water Efficiency Fund, beyond 2023.

- **Waterwise can add a huge amount of value to the fund** - helping to ensure its effectiveness and secure its legacy. To do this it is crucial that Waterwise can act both

as a strategic advisor and also as a partner in delivery consortia. There is precedent for this in Ofwat's Innovation Fund approach and in the Collaborative Fund for Water Efficiency approach. Waterwise can directly support the fund by helping disseminate the learnings from it through our annual water efficiency conference, our newsletters and our UK and international multisector water-saving networks. Our independence will bring the 'trusted voice' element.

Annex A

Smart Data	Campaigns Hub	Water Literacy	Projects (*topics*)	Regulatory Capacity
Making the most of smart data to help reduce demand	**Managing large scale awareness and behaviour change campaigns**	**Empowering a network of water saving advocates**	**Progressing large scale water saving trials**	**Boosting regulatory capacity on demand management**
Supporting AMI and smart tech roll-out	Stakeholder engagement and management	Developing & updating materials	Flow restrictors	Reviewing progress v statutory target
Turning data into insights	Commissioning campaigns across various media	Accrediting trainers	Leak detection	Identifying gaps and missing measures/actions
Effective HH & NHH customer interfaces	Reviewing and approving campaign materials	Delivering peer to peer training	Shower devices and messaging	Supporting development and roll-out of water saving policy (label, buildings, fittings)
Turning insights into action	Managing campaign delivery	Accrediting learners	Water reuse (micro and macros scale)	Updating WRMP water efficiency guidance to water companies
Using data to measure savings	Undertaking ongoing social research and surveys	Accrediting organisations	Toilets (leaks and buttons)	Helping coordinate sector wide interventions such as tariff trials
Evaluating Impact	**Evaluating Impact**	**Evaluating Impact**	**Evaluating Impact**	**Evaluating Impact**