

The image shows a modern glass skyscraper at dusk. The building's facade is highly reflective, showing the sky and surrounding environment. In the foreground, there is a large, active fountain with multiple jets of water. A blue circular graphic overlay is positioned in the center of the image, partially obscuring the building and fountain. The sky is a mix of orange and blue, indicating the time is either dawn or dusk. The overall scene is a blend of urban architecture and natural water elements.

Waterscan

Water Matters 2023

Conference report

The first Water Matters conference, a must-attend annual event which brings together non-household water users to explore how best to accelerate action and ultimately achieve water resilience, took place on 22 June 2023.

With a wide range of guest speakers plus opportunities for peer-to-peer networking and panel discussion, Water Matters aims to inspire, inform and provide an insight into the challenges of water scarcity and how we might respond to these.

- **Environment matters**, a no-holds-barred session with a call to action for responsible water use, with an inspiring keynote from Chris Hines MBE. He spoke with passion about the need for collective and intelligent action to protect our water resources, as well as speakers from Defra, Natural England and Water Resources South East.
- **Innovation matters** shone a light on new ideas, approaches and opportunities for collaboration, through presentations from Anglian Water, Ofwat and Waterscan, concluding with a panel discussion hosted by The Water Report.
- **Market matters**, a succinct briefing session largely tailored to the Self-Supply community, welcomed speakers from Ofwat, the Strategic Panel and MOSL to update customers on market performance and key industry initiatives.



“We are in extraordinary times. The impacts of climate change, pollution and over-abstraction mean that water is rarely out of the news. The positive in this is that awareness of our challenges around water are greater than ever before. Today, we are all here to focus on possible solutions and the positive interventions necessary to secure a water resilient future.”

Neil Pendle, Managing Director

Waterscan

Environment matters

How and why action on water makes a dramatic difference to our natural world.



Keynote speaker Chris Hines, MBE

gave a powerful and highly motivating talk on the role of collective action and intelligent activism in inspiring positive change to meeting huge challenges.

Chris drew on his 30 years' experience of campaigning for the environment in several roles including as co-founder of Surfers Against Sewage, Sustainability Director of the Eden Project, and as a sustainability advisor to the BBC.

He advocates multi-faceted intelligent campaigning that is solution focused, as

opposed to simply awareness raising stunts. He also recognises and applauds the role of the younger generation in driving change – a generation that doesn't accept outdated views and irresponsible corporate actions.

Chris spoke of the need to embed triple bottom line thinking into all aspects of business to achieve sustainable development and achieve the best outcomes for the environment for every pound spent.

He commented on how little water was considered when compared to other industries and urged for businesses to be responsible in their water use. He also spoke about the need for water companies to build trust with the public, noting that there's little benefit to asking people to save water while they are seen to pump sewage into the sea.

The empowering takeout was that everyone is capable of change.



The logo for Natural England, consisting of a solid green square above the words 'NATURAL ENGLAND' in white, uppercase, sans-serif font.

Dr Louise Bardsley, Principal Adviser Strategic Solutions – Evaluation and Water for Nature, at Natural England

added detail around Defra's concerns, revealing that the UK is one of the most depleted countries in terms of biodiversity, ranking 189th in the world for the health of our environment, and the lowest in the G7 countries. 41% of our bird species have decreased and 15% of our wildlife is threatened with extinction.

Water scarcity is one of the biggest drivers of this. Louise spoke of how abstraction changes the flow patterns and the amount of water in the environment, in turn reducing natural habitats and preventing the movement of species and concentrating pollution. Yet, the public perception is that household usage is low and people don't associate water usage with carbon and climate change.

Natural England aims to restore natural functionality with hydrology a big part of this challenge. Businesses must play their part. Louise encouraged companies to be, buy, build and behave waterwise. They should invest in nature-based solutions where possible and ideally, they should be water positive, leaving or returning more water to the environment than they take out. She also suggested that Self-Supply companies can play a key role in influencing end consumers.

Defra's Head of Water Efficiency and Demand Management, Aaron Burton, outlined why and how the government is acting on water through its Water Efficiency Roadmap and Plan for Water.

He explained that England faces a serious risk of water shortages as climate change, increasing population and a need to protect the environment are further challenging an already strained system. There will be a water deficit of 4bn litres a day by 2050 if we continue using current levels, at which point there will be a 1 in 4 chance of a serious drought occurring. This will cost the UK £40bn in emergency measures if there is no investment in supply resilience.

Accordingly, Defra has a long-term target to reduce the use of public water supply in England per head of population by 20% by 2038 from the 2019/20 baseline. Interim targets to achieve this milestone are to:

- Reduce the use of public water supply in England per head of population by 9% by 2027 and by 14% by 2032; and
- Reduce leakage by 20% by 31 March 2027, and by 30% by 31 March 2032.

Supporting measures include the introduction of water efficiency on EPC certificates and minimum product standards for fittings like taps and showers.

Organisational Director at Water Resources South East, Lee Dance, presented how its regional plan supports the national framework to reduce water leakage, involving three different pathways to achieving its targets. Given that 40% of the entire UK population is based in the South East, WRSE's stance is pivotal.

He also highlighted how businesses are likely to be impacted, noting that around 29% of non-household consumption is continuous flow, indicating leakage or faulty assets.

Lee concluded that water reduction and resilience must be a team effort and that WRSE welcomes increased consultation and input from the business community.

“The water industry is making great progress, but it's clear that action needs to be faster.”

Participant at event

Ross Greenhalgh, Whitbread's Energy Manager, contributed the all-important customer perspective during a panel discussion alongside Chris Hines, Dr Louise Bardsley, Aaron Burton and Lee Dance.

From a business perspective, he said that it makes financial sense to reduce water, but not necessarily to invest in technical solutions for grey water recycling or rainwater harvesting. He spoke about why Whitbread pushes for a faster rollout of smart metering; whilst the meters are not an innovation themselves, they measure how

effective other innovations are and progress against targets.

Ross also spoke about the frustrations of changing mindsets, not just amongst staff members but also the challenge of asking guests not to overuse water when they are paying for the privilege of staying in a hotel. He suggests that people simply aren't bothered about water and so encouraging behaviour change is a huge barrier to overcome.

Innovation matters

The challenges and opportunities of adopting novel approaches to water security.



Marc Hannis, Principal – Innovation Fund, Ofwat, was keen to emphasise how open the regulator is to new ideas, and highlighted opportunities arising from the Ofwat Innovation Fund.

This Fund makes £200m available to accelerate the discovery, development and adoption of innovative approaches across the water sector. Monies are awarded following a competitive pitch process to the most enterprising ideas for both technical and non-technical solutions. To date, this initiative has demonstrably improved collaboration across all of

Ofwat's focus areas. Importantly too, the quality and ambition of entries has improved with every round, leading Ofwat itself to grow ambition; the next Innovation Fund is confirmed to run until 2030 with over £300m available for successful project ideas.

Marc encourages applications for funding from Self-Supply companies and reiterated that they must be partnership projects to meet assessment criteria.



Anglian Water, represented by Shauna Berendsen, Chief Innovation Officer, provided a water company perspective.

Anglian has taken a leadership position on water and is recognised for being one of the most forward-thinking water wholesalers. A necessary position because this region is the driest water resource zone in the UK by annual national rainfall. Even so, there continues to be little understanding of how much water people use.

In a drive to improve public perception and the need to value water more, Shauna presented several consumer behaviour change projects and incentives that Anglian has collaborated on, noting the associated carbon reductions arising from water reductions.

Waterscan

Barry Millar, Waterscan's Operations Director, provided firsthand knowledge of what's happening on the ground and spoke of technology development since market opening, going on to suggest that Self-Supply is arguably the biggest innovation the water market has seen to date.

He gave inspiring examples of interesting efficiency initiatives taking place in Sydney, San Francisco and Dubai.

Ultimately, when it comes to efficiency, data is the first step in turning ideas

and innovation into action, he said, noting that meters themselves don't save water, they are simply a tool to monitor usage.

Finally, Barry drew attention to CDP findings that water security is no longer just a question of risk, but a matter of real value, ready to be captured by global companies. CDP has reported that water-related opportunities are worth US\$436bn as companies transition away from polluting and water-intensive products.



Karma Loveday, Editor of The Water Report hosted a panel entitled The Pathway to Innovation, with Marc Hannis, Shaunna Berendsen, Barry Millar, Trisha McAuley and Sarah McMath contributing to the discussion.

The conversation covered a wide range of issues including; whether we should be driving for water security rather than innovation, how to ramp up the pace of change and how customers might get more involved, and also what barriers need to be overcome, including investment, regulation and trust.

“This event was really interesting – a good line-up of speakers and a much broader discussion than I was expecting. I left with an even greater conviction that the entire business community needs to do much more on water.”

Simon Taylor, Environmental and Sustainability Manager, Aston Manor

Market matters

Plans for improving the water retail market, market priorities for the year ahead and what all this means for customers.

Waterscan

Managing Director, Neil Pendle, provided updates on Self-Supply market performance and announced an expansion of Waterscan's Market Services team to ramp-up collaboration across the market and facilitate consultation responses.

Two important and ongoing programs are consulting on PR24 and draft Water Resource Management Plans (which set the industry's agenda for the next five

years and beyond). With these, Waterscan is pushing for more ambition, more focus on resilience and better outcomes for customers.

A behavioural change initiative, in partnership with Weir Consulting, Anglian Water and Affinity Water, is also underway.

Ofwat

Ofwat, represented by Director Shaun Kent, summarised the regulator's vision for the market and performance against two primary objectives:

- Encouraging the right behaviours through active engagement and focusing on customers. This is being tackled by incentivising target achievement and through improving governance with the formation of the Strategic Panel.
- Getting the basics right through resolving market frictions, improving the quality of market data and through metering strategies.

Ofwat requested input on what else customers want to see happen, prompting discussion around the measurement of water efficiency programmes, price rises, smart metering and regulatory intervention to remove barriers to competition.



Trisha McAuley OBE, Independent Chair of the Strategic Panel, reiterated that the Panel's primary focus is to optimise customer outcomes, noting that customers must be able to understand their consumption and be encouraged to use resources more efficiently. 'Water efficiency must not be optional', she said.

However, the Panel's view is that there is no incentive for retailers to encourage water efficiency as this negatively impacts their revenue, nor are there mechanisms in place to promote behaviour change.

Trisha touched on the Panel's disappointment with water companies'

Draft Water Resource Management Plans (WRMPs), highlighting a stark contrast in ambition from one company to another.

She also highlighted the Panel's Interim National Metering Strategy, which set out research and evidence to make the case for prioritising and accelerating the adoption of non-household smart metering. Smart metering is recognised as a key driver in overcoming supply and demand challenges and achieving Defra's consumption reduction targets. This Strategy has been positively received and it is expected that wholesalers will build on it in their final WRMPs.

MOSL Chief Executive, Sarah McMath, expanded on these points, noting that many of the Draft WRMPs completely excluded the non-household market.

She also expressed concern about the current Market Performance Framework, which the market operator is reforming according to eight principles, including (but not limited to) improving customer outcomes, improving trading party accountability and seeking simplicity over complexity.

Sarah also spoke about MOSL's Strategic Metering Review which encompasses three workstreams – metering strategy, meter reading processes, and making granular data available to all non-household customers. She noted that, whilst the Self-Supply community has excellent meter reading metrics, this is often very, very poor for other customers in the market.

Finally, she drew attention to the opportunity for Self-Supply companies to bid for project funding through the £1m Market Improvement Fund.



