

# Water matters

Insight for the UK's hotel and leisure sector



# Contents

- 3 Introduction
- 5 The invisible risk to your business
- 7 Doing the right thing
- 10 Make water work for you
- 11 Step 1: assess
- 12 Step 2: act

# Introduction

Everyone needs water. Water sustains life. It creates growth and prosperity. It's the lifeblood of your business.



## Think for a second...

How long could your business continue to operate without it? The chances are, you've got about 30 minutes before your staff, your customers and your operations on any one site start grinding to a halt. Give it an hour and you're in crisis management mode. Within a day, financial targets are impacted and within a week corporate reputation is at stake.

## Now think for a minute...

When was the last time you analysed your organisation's water data? Do you know how much water all your sites consume and how much it costs your business?

If you're not sure, you're not alone. For most businesses, water plays second fiddle to gas and electricity. It's comparatively cheap, it's apparently readily available and there's little stakeholder pressure to act. So, what's the big deal?

## Spare ten minutes and discover...

- Why water is the invisible risk in your business.
- How some companies in your sector are managing this risk.
- What you can do to start your journey to water sustainability.

Every day, over 50 billion litres of water are taken from the environment for public and commercial consumption in England and Wales.<sup>1</sup>



## Globally



Less than **1.2%** of all water on Earth is available for human use.<sup>2</sup>



By 2025, **two-thirds of the world's population** may be facing water shortages.<sup>3</sup>



The financial impact of water risks was **US\$301 billion** in 2020; 5x more than the cost of mitigating the risks.<sup>4</sup>



Water stress acts as a multiplier to shortages of other key resources and productivity.<sup>5</sup>

## In the UK



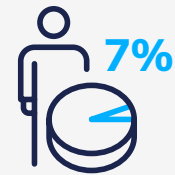
By 2050, England will need **28.5% more water** each day to meet demand.<sup>6</sup>



We use an average of **145 litres per person** per day in the UK, compared to 126 litres in Germany.<sup>7</sup>



The water industry expects supply interruptions to increase by **25%**.<sup>8</sup>



Only **7%** of **business customers** regard water efficiency as a priority.<sup>9</sup>

# The invisible risk to your business

Water efficiency is still struggling to make it onto the boardroom agenda. Emissions and waste tend to be prioritised when setting corporate social responsibility agendas, targets and action plans.

## This needs to change

In roughly twenty years from now, water demand, which is rising due to population growth and urban development, is predicted to exceed water availability, which is declining due to climate change, pollution and aging networks causing leakage.

At this tipping point, when water scarcity impacts our daily lives, everyone will sit up and take notice. That's also the point when it will be too late, far too late; especially for businesses in the hotel and leisure sector that rely heavily on water to operate successfully, and to recruit and retain members and guests when consumer expectations have never been higher.

The water industry regulator, Ofwat, public bodies like Defra and the Environment Agency, and some water companies are working to reduce the probability of water shortages and to put effective resilience plans in place.

However, as businesses consume 30% of the UK's available water, we too need to play our part if we are to achieve a sustainable water future.

## Businesses that are proactive on water will futureproof their operations through:



Lowering their bills and increasing competitiveness in their respective markets.



Becoming more resilient to the effects of climate change and water scarcity by making them less dependent on external factors.



Tackling more comprehensive corporate social responsibility targets and enhancing their progress reporting to investors and customers (noting that, while saving water is a success in itself, it will also positively impact other goals like emission reduction).



Building leadership and long-term reputational gains by playing an active, collaborative role in the communities and environments within which they operate.

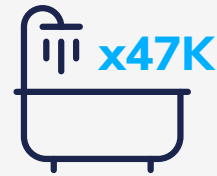


# The hotel and leisure sector

It is no surprise that the hotel and leisure industry uses a lot of water. In fact, the leisure industry alone is ranked very highly for average daily water usage when compared to Waterscan customers across other sectors in 2022, with a typical site in the leisure sector using 34m<sup>3</sup> every day.

As a major contributor to UK GDP, it is essential that those working in the hotel and leisure sector are supported in their water conservation efforts. Water is integral to all businesses, but in the hospitality and leisure sector, the impacts of flooding or supply interruptions are considerable and experienced immediately, affecting customer service, revenue and reputation.

Making these business critical operations more efficient while safeguarding future water supply has tangible impacts on profitability in the short term and on operational resilience in the longer term.



A typical leisure centre site uses circa 16,800m<sup>3</sup> of water per year. Whilst a typical hotel uses circa 6,240m<sup>3</sup> of water, the equivalent of **47,000 bath tubs**.



**Leaky taps and pipes waste** over 3 billion litres of water every day in the UK. That's over 1,200 Olympic-sized swimming pools.<sup>10</sup>



Unread meters = inaccurate invoices. Across England, **14% of NHH water meters have not been read** for 12 months or more.<sup>11</sup>



In the leisure sector, water use is constant. Even when closed, **daily flow never reaches zero**, often due to pool cleaning and legionella tap flushing.



Across Waterscan's hotel and leisure customers, over **81 million litres** of water, or 32 Olympic-sized swimming pools, was saved in 2022.



**Demand fluctuates** a lot in the leisure sector with 30% of average daily consumption between 9am and 5pm.



More water is consumed over the summer, at Easter and during December. These are times when water supply is most at risk. Whilst **10% more water is used at weekends**.



Over **£635,000** in financial savings were achieved for Waterscan's hotel and leisure customers in 2022.



# Doing the right thing

Two examples of companies in the leisure sector that are taking leadership on water management in different ways.

# David Lloyd Leisure: proactive procurement

David Lloyd Leisure was the first company within the health, sport and leisure industry to apply for a licence to Self-Supply its water, an innovative opportunity made possible by opening up the water market to competition in 2017.

The move built on the company's sector leadership on sustainability; it being a strong advocate of environmental stewardship, constantly striving to improve its corporate social responsibility performance and to accelerate its transition towards a more sustainable future. It was also the first company in its sector to demonstrate considerable progress on reducing its carbon footprint and waste to landfill.

Through Self-Supply, David Lloyd Leisure can supply water services across its property portfolio, pay wholesale prices (the price that retailers pay to the water companies,

without retailer margins) and directly influence the future direction of the water marketplace. It can also join peers at the cross-sector Self-Supply Users Forum for unparalleled insight and proactive risk management. A partnership agreement enables Waterscan to act as David Lloyd Leisure's managing agent, provide technical support and further water efficiency advice.



“We recognise the importance of our role and responsibility in contributing to a healthy society and a sustainable environment. We believe that a self-supply license will enable us to accelerate our work on reducing our water consumption, as witnessed in other industries.”

Sustainability Manager





# Whitbread: data driven efficiency

Water is a key element of Whitbread's wider sustainability strategy, which is targeting a 20% reduction in water usage per guest by 2030.

By choosing to Self-Supply its sites across England, Whitbread has access to reliable, accurate data, on which to base efficiency strategies and stakeholder engagement.

In the three years to 2021, Whitbread saved over 170,000m<sup>3</sup> of water, the equivalent of 68 Olympic sized swimming pools. In financial terms, savings are around £400,000 each year by being a self-supplier in the marketplace, achieved by paying wholesale rather than retail rates. As retail prices rise, expectations are that this saving will continue to grow.

The company demonstrates transparency and leadership on water via annual CDP disclosures too, and has recently embarked on an innovative risk mapping initiative. This overlays data from multiple external sources – catchment water levels, population pressure, flood risk, for example – with site-level usage data to pinpoint where risk lies, both geographically and by type. Weighting these risks enables the company to build effective contingency plans and discover further opportunities for efficiency.

“There's no doubt that our work on risk mapping and water disclosure has helped drive year-on-year improvements for the environment and in identifying risks and opportunities for the business.”

Environment Manager

**WHITBREAD**



# Make water work for you

For companies operating in the health, hotel, sport, and leisure arena, balancing the quality of customer experience with efforts to reduce environmental impacts is understandably a challenge.

We know that the fallout from an out-of-action pool or a polite request to reduce showering time is damaging: no-one wants to let a customer down. While guests are increasingly accustomed to engaging with the environmental efforts of their hotel and leisure spaces, making big changes means making big asks. In your sector therefore, it's often more effective to look at internal operations and approaches before looking to customers for support.

Technology is one option. However, notwithstanding automated meter reading devices which are now significantly advanced, capital

investment in water saving technologies often falls short of return on investment expectations. Most water saving hardware is still in its infancy; there are some great innovations in the pipeline, but these remain unproven at scale, and hence an investment risk.

Another option is to engage with your water supply chain – an attractive proposition since the water market opened up to competition in 2017, thus enabling non-household water customers to choose who they would like to supply them. Of course, running a procurement tender is challenging without robust data sets and

cohesive future goals. We also recognise that taking staff away from customer-facing activity to deal with these matters, is a deterrent to action too.

For all these reasons, instigating a water resilience strategy may seem daunting and not much of a priority right now.

Rest assured though, that the benefits of doing so are numerous, usually resulting in a swift return on investment and ongoing benefits to your business that will be realised for decades.

So, where do you start?  
How do you keep your customers engaged, loyal and delighted without compromising on water efficiency – and ultimately, secure a sustainable business model?

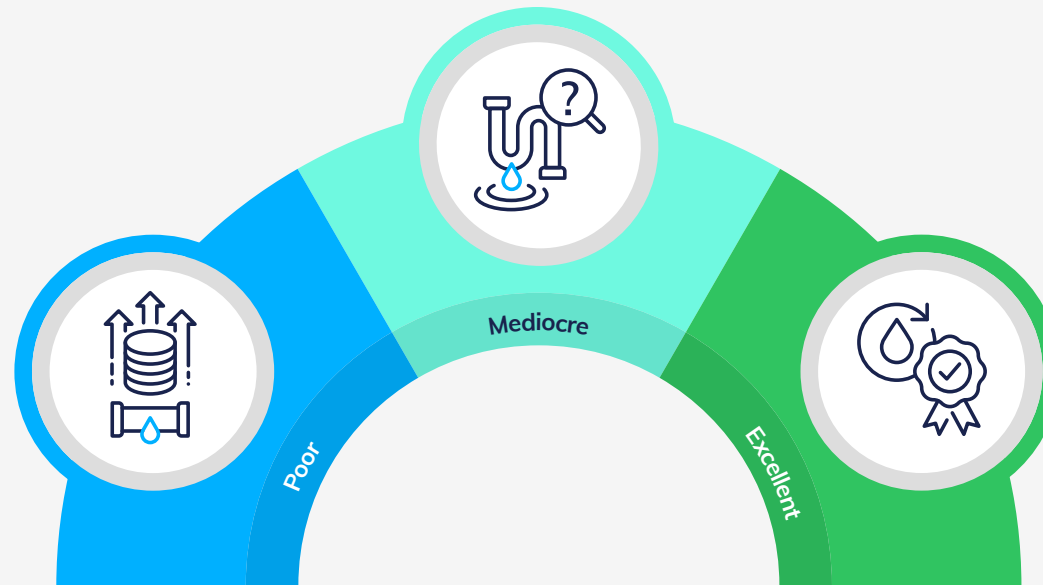
## Assess and act

1. Benchmark your operation.
2. Review our ten steps to water resilience plan.



# Step 1: assess

Benchmark your operation



## Understand what leadership on water looks like

### Poor

These companies will just pay their water bills and not give any further consideration to water. Their back-office staff will be spending a lot of unnecessary time on billing administration and supplier liaison because they won't have accurate meter readings and they could even be juggling multiple water retail contracts.

They're likely to be paying far more than they need to but getting involved in the open water market seems daunting and an extremely low priority (after all, "it's much cheaper than energy!"). The result is that their businesses are operating with continuity and cost risks.

### Mediocre

These companies will have some awareness of their overall water consumption but will not be sure how or where it is used, nor how much of this is essential or how much could be saved.

They're likely to take a reactive approach to efficiency measures, perhaps only fixing leaks when they cause disruption to operations and will only consider water saving equipment when they need to replace something.

It's likely they will have a number of Long Unread Meters (LUMs), meters which haven't been read for over 12 months, which leads to inaccurate data and billing.

### Excellent

These companies will have full visibility of how much water they use, and where, down to site level across all operations.

This visibility means that they'll be able to operate in a lean and efficient way with close to no consumption or cost wastage, fully engaged staff who value water and with confidence that no water-related event will adversely impact business operations.

They are also likely to be working proactively and collaboratively with others to protect local supplies and set new benchmarks in corporate social responsibility.



# Step 2: act

## 10 steps to water resilience

Some simple steps to start reducing risk and building resilience across your operations



### 1 Evaluate your current position

Assess which parts of your operations could be affected by a potential water shortage and the level of these impacts. Make sure you include facilities that may not consume a lot of water but would have a big impact on the day-to-day running of your business if they couldn't be used, such as staff welfare amenities. Then, expand your assessment to consider the impact of water shortages to your wider stakeholders including customers and suppliers.



### 2 Understand your vulnerability

Consider the geographical location of all of your premises: are you in a water-stressed catchment area or one that is prone to low rainfall? Find out if there is a lot of local development planned as this may increase demand in the catchment area(s) in which you operate. The Environment Agency has much of the information that you need.



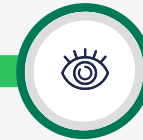
### 3 Build your business continuity plan

Ensure that all of the business threats identified in steps one and two are included in your corporate risk assessment and business continuity plan. Consider what measures need to be put in place to mitigate these risks.



### 4 Benchmark your usage

It's also useful at this stage to benchmark your usage against similar premises or within your industrial sector to understand if your water consumption compares favourably or otherwise. A poor benchmark position could lead to negative reputational impacts as well as operational ones.



### 5 See your blind spots

Obtain full visibility of water consumption across your estate – ask your water retailer for this information and insist that it is actual (not estimated) and from a recent (less than three months old) meter reading. This should include how much water you're using, where it's all going, how much of it is necessary and if any is being lost through leaks or other wastage. If you cannot get full visibility, this exercise will highlight blind spots.



### 10 Plan for emergencies

Create back-up plans for what are likely to be inevitable water shortages in the future and support these with an effective crisis communications plan for effective deployment. These could include third party emergency supplies, for example. If you need to report an emergency issue, contact your wholesaler directly - you can find links on our website.



### 9 Collaborate with your neighbours

Joining forces with other stakeholders in the same water catchment area will proactively increase overall resilience for mutual benefit. Catchment Based Approach Partnerships bring together businesses, local authorities, water companies, landowners and public bodies to protect our valuable water environments.



### 8 Reach out to your retailer

Speak to your water provider(s) to advise them of your concerns and forward plans. Understand their plans and priorities to boost resilience and ask about any incentives they could offer to support your efforts.



### 7 Increase your efficiency

With full visibility of usage and the bigger environmental picture, you will now be able to address any areas of your business that could use less water. Prioritise your sites that are in water stressed geographies to guard against a water outage and protect natural resources. Perhaps there are leaks on some sites which could be easily rectified. Or, where there are no leaks, a staff awareness and engagement programme may be required.



### 6 Address your blind spots

Any gaps in your data set can be addressed through technologies like automated meter reading (AMR), data loggers and even good water management software. Speaking to colleagues on the ground is also likely to bring valuable insight to the table. Your water retailers should be fully supportive of your efforts here.

- 
- 1 <https://www.discoverwater.co.uk/where-water-comes-from>
  - 2 <https://www.cdp.net/en/water>
  - 3 <https://www.worldwildlife.org/threats/water-scarcity>
  - 4 <https://www.cdp.net/en/research/global-reports/global-water-report-2020>
  - 5 [https://www3.weforum.org/docs/WEF\\_Global\\_Risks\\_Report\\_2023.pdf](https://www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf)
  - 6 [https://consult.defra.gov.uk/water-efficiency-labelling/water-efficiency-labelling/supporting\\_documents/Water%20efficiency%20labelling%20consultation.pdf](https://consult.defra.gov.uk/water-efficiency-labelling/water-efficiency-labelling/supporting_documents/Water%20efficiency%20labelling%20consultation.pdf)
  - 7 <https://www.discoverwater.co.uk/amount-we-use>
  - 8 <https://www.water.org.uk/news-item/water-2050-white-paper/>
  - 9 <https://www.ofwat.gov.uk/regulated-companies/markets/business-retail-market/five-years-open-for-business-taking-stock-review-of-the-fifth-year-of-the-business-retail-water-market-2021-22/>
  - 10 <https://www.discoverwater.co.uk/leaking-pipes>
  - 11 <https://mosl.co.uk/documents-publications/5602-2021-22-ampr-final/file>