



Waterscan

# Water matters

Insight for the UK's pub and restaurant sector

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# 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 10 minutes before your customers stop getting served. Give it a day and you're in crisis management mode. Within a week, customer confidence and financial targets are impacted, and 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



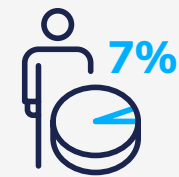
By 2050, England will need **28.5% more water** each day to meet demand.<sup>6</sup>



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 food and drink sector that rely heavily on water to operate.

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 pub and restaurant sector

As a major contributor to UK GDP, and following lengthy periods of enforced closure, it is essential that the sector is supported in all ways to safeguard resilience.

Water must play a part in this because, unsurprisingly, pubs and restaurants use a lot of water in comparison to others.

When combined, Waterscan's pub, restaurant and brewery customers consumed on average over 32,000m<sup>3</sup> of water every single day in 2020. Increasing water efficiency has a direct tangible impact on profitability in the short term and on operational resilience in the longer term.



On average, a pub or restaurant uses **4,000 litres** of water every day and spends circa **£4,500** on water per year in the UK.



**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>



**77%** of complaints in the English market relate to **billing issues**.<sup>12</sup>



Across Waterscan's pub and restaurant customers, over **288,000m<sup>3</sup>** of consumption savings were realised in 2022.



Over **£1.3 million** in financial savings were achieved for Waterscan's pub and restaurant customers in 2022.

# Doing the right thing

Examples of how companies in the pub and restaurant sector have taken leadership on water management in different ways.



# Greene King: first to market

Greene King was the first of 1.2 million eligible organisations to apply for and obtain a water Self-Supply licence.

With Waterscan's support, the company switched all of its >3,000 supply points on the day the market opened. This represented 30% of the total market switches.

In its first year of Self-Supply, Greene King reduced its water consumption by 140,000m<sup>3</sup>, that's 384.32m<sup>3</sup> (the equivalent of 676,313 pints) per day.

Alongside significant consumption and cost savings, the company also benefited from proactive site level engagement in driving efficiency and reducing risks to daily operations.

For example, during the 'Beast from the East' cold snap, communications were sent to each Greene King site advising the need to be alert to higher than usual consumption. In addition, impromptu meter reads were taken across the estate to verify usage and pinpoint any unexpected spikes in consumption which could indicate a cracked and leaking pipe.

“We are looking forward to building on this successful experience to date, which we believe delivers competitive advantage in both corporate social responsibility and commercial terms. We have seen reports of a slow customer response and questionable impacts of the open water market, but this has not been our experience. While Self-Supply was a leap into uncharted waters, it has delivered better than expected results in a short timeframe.”

Senior Purchasing Manager





# Marston's: reputation building

Marston's was named as winner in the Sustainable Use of Water category at the 2019 Footprint Drinks Sustainability Awards.

The Footprint Drinks Sustainability Awards is the only initiative to honour the achievements of companies in specific areas of sustainability and responsible business practice in the out of home sector and its supply chain.

These awards reflect the fact that few industries rely on raw materials, water, energy and packaging as much as those involved in the production of alcohol and soft drinks. Carbon outputs through manufacturing processes and distribution, not to mention the waste implications, are evidence of a global industry with a huge collective responsibility that is arguably more beholden to climate and environmental conditions than many others.

Both Marston's and Greene King were quick to see the potential benefits of becoming a self-supplier in the open water market and went on to make big impacts in driving sustainable water use. It's clear that those businesses that take control over this operationally critical resource reap the benefits and importantly, are applauded for their efforts.

Since becoming a self-supplier, Marston's saves 162,000 pints of water a day and has been applauded for its work on water.



“This is a great opportunity for Marston's, enabling us to drive efficiency and cost whilst working towards reducing consumption through our managed sites. It also gives us the platform to trial innovation and become an active partner in the market.”

Head of Group Facilities



# Trade effluent: responsible disposal

For many, responsible water management is focused on consumption efficiency but, for Waterscan and the many brewers, pub and restaurant operators it works with, environmental accountability doesn't stop there.



As a result of premises temporarily closing due to the Covid-19 pandemic from March 2020 to February 2021, an enormous amount of beer – around 87 million pints according to the British Beer & Pub Association – was rendered out-of-date and unsaleable. While waste prevention is always at the top of the waste hierarchy, it was clear that in this unforeseen situation, disposal would be necessary.

Amid warnings from Water UK that wildlife could be harmed if large quantities of beer were washed away

to end up in rivers and waterways, this process needed careful consideration.

Dealing with this level of trade effluent on a nationwide scale required sound data and processes as well as multi-layered collaboration at scale. Starting with risk assessments, verification of stock levels and analysis of environmental risks on a region-by-region basis, Waterscan worked with its customers and water wholesalers to execute and document the disposal of this trade effluent safely.

“The challenges for the pub and restaurant trade during the pandemic were well documented but some of the issues it has faced didn't make the headlines. When beer waste has been reported, the primary focus has been on the financial rather than environmental costs. Our job has been to work on behalf of our customers to manage both risks and create a new best practice approach to beer waste in an unprecedented situation.”

Neil Pendle, Managing Director

**Waterscan**

# Make water work for you

For companies operating breweries, pubs and restaurants, balancing the quality of customer experience with efforts to reduce environmental impacts is understandably a challenge.

In your sector therefore, it's often more effective to look at internal operations and approaches before asking customers to support your efficiency drive.

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.

Many companies in the pub and restaurant sector have chosen to Self-Supply their water. As a water procurement option, Self-Supply allows companies to take complete control over their consumption and costs as well as the ability to access detailed data that feeds into site-specific action plans, informs nationwide efficiency strategies and supports wider sustainability ambitions. Self-Supply has given the sector unrivalled influence in shaping the future water marketplace too; appropriate given the scale of its consumption.

If you are yet to instigate a water resilience strategy, it may seem daunting at first and perhaps 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?

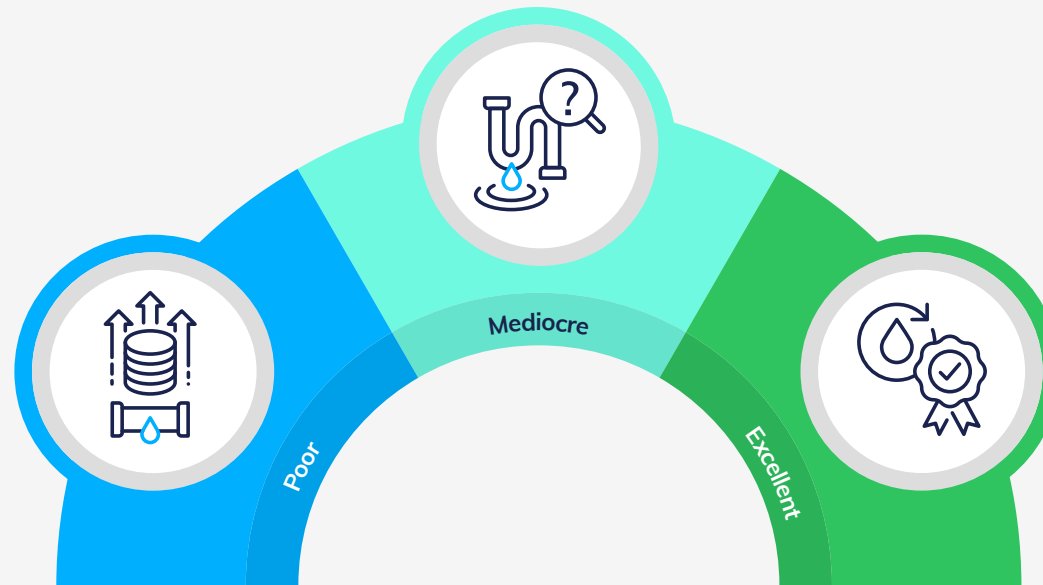
## Assess and act

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 of inaccurate 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.



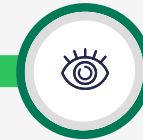
### 3 Build your business continuity plan

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>
- 12 <https://www.ofwat.gov.uk/publication/five-years-open-for-business-taking-stock-review-of-the-fifth-year-of-the-business-retail-water-market-2021-22/>