



Sally Randall
Director of Floods and Water
Department for Environment, Food and Rural Affairs
2 Marsham Street
LONDON SW1P 4DF

7th October 2019

Dear Sally,

Re: Defra consultation on measures to reduce personal water use

I am writing in response to the above consultation in my capacity as chair of the steering group for the UK Water Efficiency Strategy. The steering group warmly welcomes the consultation and is very grateful for the opportunity to help shape government policy in this important area.

The UK Water Efficiency Strategy was developed by water company representatives from companies across the UK together with regulators, government, NGOs and academia. Since launching the strategy in June 2017, the steering group has been taking forward its 60 recommendations, commissioning research to fill knowledge gaps, and sharing good practice across the water industry.

Core to the strategy is the need to reduce personal water consumption in order to increase the resilience of water supplies, reduce energy and carbon emissions, and deliver savings in utility bills for customers. Critically, less water used by households creates scope for new housing in areas of water stress whilst also leaving more water in the natural environment. Our proposals will also level the standards playing field for developers which will help to accelerate housing growth.

Water companies have already proposed ambitious plans to reduce personal water consumption, which if funded in full by the economic regulator, would see per capita consumption (PCC) reduce from 143 litres per person per day (l/p/d) at present to around 118 l/p/d by 2045. The industry has also committed to halve leakage by 2050 by tripling the rate of leakage reduction over the coming years.

There is scope to achieve much deeper reductions in water consumption by mid-century if water company plans are supported by new policies introduced by government. Independent research by Artesia and Eftec¹ for Water UK found that *“the single most cost-effective intervention to save water is a mandatory government-led scheme to label water-using products, linked to tightening Building Regulations and water supply fitting regulations”*. The UK Water Efficiency Strategy steering group met on 3rd September to discuss the consultation and wholeheartedly supported this conclusion.

¹ Artesia, Eftec (2019) for Water UK, *Pathways to long-term PCC reduction*.

The specific details of this conclusion are important:

- **The case for a mandatory water efficiency label tied to minimum standards is overwhelming.** Labelling must be mandatory because voluntary schemes - such as we have had in the UK for some time - have proven ineffective. A water label on every product will inform customers and influence their purchasing decisions, and drive new product innovation with the least efficient being removed from sale. The experience from Australia's mandatory water efficiency label scheme (WELS) shows how much water can be saved, and has been embraced by customers and manufacturers. The approach will also reduce water consumption in hotels, offices, schools and other non-residential buildings where significant reductions in water use are also needed and can readily be achieved.
- **Building Regulations must be revised to take a fittings-based approach tied to water efficiency labelling.** The existing approach of PCC design limits based on calculated water consumption, and a link with Local Plans, is not working and should be withdrawn. Instead, Building Regulations should require all new homes in England and Wales to be built with fittings and appliances that meet a minimum water efficiency label rating. Minimum label ratings should be set to achieve water use in new homes of 100 l/p/d or below, with government signalling now that standards will tighten to achieve 85 l/p/d in time. It is critical new homes are built from now to use less water than any PCC target set for mid-century. Otherwise new homes will make such a target more difficult to achieve and getting to 100 l/p/d or below as a national average will prove impossible.²

A report the steering group commissioned from the Energy Savings Trust³ found the combination of labelling, Building Regulations and minimum standards would deliver a £26 billion saving to households through lower water and energy bills over the next 25 years. With policy costs of £405 million, or 68p per household per year, the benefits outweigh costs by a factor of 60 or more - far higher than any alternative approach. These measures would save 1,800 MI/day by 2050 at a cost of just £7 per MI, which is an order of magnitude lower than the cheapest supply-side options available (at £633 per MI).⁴ UK greenhouse gas emissions would also be reduced by 55 million tonnes CO₂e.

There is also support within the steering group for:

- **Moving toward universal metering with a much faster roll-out**, so that customers pay the right amount for their water based on their consumption. This is the fairest way for customers to be billed, and water companies can offer a range of support measures for customers if this causes affordability issues or if there are special circumstances. Water companies will be almost doubling the number of customers they help with bills over the next five year period, so affordability concerns should not be a barrier to the roll-out of metering.
- **Focusing solely on smart meters from now on**, which offer so much more to customers and water companies than 'dumb' meters. Smart meters will underpin much deeper customer engagement, support behaviour change campaigns, and allow water companies to target and address customer-side leakage including as a result of 'leaky loos'. An estimated 5-8% of households have a leaky loo, which can waste up to 400 litres per day almost invisibly, akin to an extra couple of people living in a property.

² Artesia, Eftec (2019).

³ Energy Savings Trust (2019) for WESSG, *Independent review of the costs and benefits of water labelling options in the UK – Extension Project*.

⁴ Artesia, Eftec (2019).

- **A wider range of sectors being involved in pushing water efficiency campaigns**, with the government itself showing more leadership in partnership with Waterwise, the environmental NGOs, Environment Agency, Consumer Council for Water, Water UK and individual water companies.
- **Policies being introduced to support rainwater, stormwater and greywater capture and reuse systems**, particularly community-based solutions where there are significant economies of scale in both construction and maintenance. Capturing and reusing water in this way, for watering gardens and green spaces, and flushing toilets, displaces use of treated drinking water. These systems are now maturing and we are seeing increasing take-up in commercial developments. We now need supportive policies to be introduced nationwide to extend their use into residential new development.

The steering group has benefited greatly from Defra membership and we really value your department's support for the UK Water Efficiency Strategy. We look forward to working with you and the Water Services team as you consider the right policy responses to the evidence you receive. The steering group would be delighted to organise and facilitate as well as participate in any discussions and events you might find useful.

With every best wish,

A handwritten signature in blue ink, appearing to read 'Daniel Johns', written in a cursive style.

Daniel Johns

Head of Public Affairs, Anglian Water
and Chair, UK Water Efficiency Strategy Steering Group