



Waterwise  
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Dear PAC Inquiry Team

<https://committees.parliament.uk/call-for-evidence/152/water-supply-and-demand-management/>

## **Water Supply and Demand Management**

Many thanks for the opportunity to submit evidence in relation to the questions raised by the recent NAO report.

### **Who is Waterwise?**

[Waterwise](#) was founded in 2005 and is the leading authority on water efficiency in the UK. We are an independent, not-for-profit campaigning organisation, receiving funding from supporters across and beyond the water sector and wider sponsorship and research projects. Our vision is that water will be used wisely, every day, everywhere.

### **Background**

We were pleased to see the NAO report published and agree with its conclusions on demand management.

We are aware from our dealings with the Minister and the relevant civil servants in Defra that they recognise the importance of greater water efficiency to reduce water demand and the benefits in terms of increasing the security of water supplies; reducing customer water and energy bills and leaving more water in the environment. However, it is frustrating that this has, to date, failed to translate into tangible policy action, and our conclusion is that even prior to Covid-19 this was at least in part due to lack of buy-in from the centre of government. The five key points we are making to the PAC are set out below.

#### **1. Defra needs to bring forward the policy measures needed to reduce personal water use; in particular mandatory water efficiency labelling linked to minimum standards**

We were really pleased to see Defra's 2019 consultation on measures to reduce personal water use. We worked with a range of stakeholders, including through our UK Water Efficiency Strategy Steering Group, to submit evidence (for example on product water efficiency labelling). However, as highlighted in the NAO report, Defra has failed to publish the summary of consultation responses to the 2019 consultation. More importantly, it has failed to publish its policy response which we understand we can't now expect until the end of 2020.

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We understand that there was widespread support in the consultation responses for policy interventions such as mandatory water efficiency labelling of water using products; tougher standards for new build houses; faster (smart) metering, rainwater harvesting and more coordinated national campaigns.

Water UK, in its recent analysis of alternative pathways to reduce water demand [Link](#), identified **mandatory water labelling linked to minimum product standards** as the single most impactful and cost beneficial policy intervention that the government could make to reduce personal water use. This drew on the research Waterwise conducted with the Energy Savings Trust and the UK Water Efficiency Strategy Group for the UK Government on the costs and benefits of mandatory labelling. As well as water and financial savings the research highlighted mandatory water efficiency labelling can also deliver significant energy and carbon savings. The draft Environment Bill includes resource efficiency clauses that would allow it to be introduced across the four UK countries. We therefore urge the Committee to seek an assurance from Defra to take forward this policy measure as soon as practical, and to offer any support it can to the centre of government to help Defra to deliver this.

## **2. The National Target should be 'owned' by the government and not the water companies.**

This broader ownership would recognise that delivering water efficiency and reducing demand is a wider societal challenge that requires water company investment, public buy-in and a supportive policy and regulatory framework (see above). The target should be used as a filter for new policy, regulatory and legislative proposals and not only for planning and delivery in water resources and customer water efficiency support carried out by the water companies.

We would also encourage Defra to seriously consider the option of a high level target that relates to reducing the amount of water abstracted from the environment by water companies with subsidiary targets or indicators relating to how that supplied water is then used - for personal water use (which is around 50% of supplied water); for non household water use (25% of supplied water) and for leakage (25% of supplied water).

## **3. Government must play more of a leading role in promoting and supporting national scale water efficiency campaigns**

From our point of view, a successful national water efficiency campaign should have strong support from governments, be UK-wide, cover household and business use, have central expertise and knowledge, and produce central campaign materials and collateral whilst being flexible enough for local/regional buy-in and delivery (like our Water Saving Week model and the national co-ordinated summer campaigning on water efficiency we'll be leading for/with the sector this year) - and be sustained.

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Waterwise fully agrees with the NAO that a national (UK-wide) water efficiency campaign supported by governments as well as the water sector itself is absolutely key to driving a water-saving culture, and to reaching the ambitious reductions in consumption we need to achieve to ensure there is enough water to go round everyone who needs it, in society, the economy and the environment, not only in the future but also now. Water scarcity is an issue right across the UK - current challenges are being seen in the North and North West of England, Scotland and Northern Ireland, which in popular narrative might be considered 'wet enough'.

Waterwise is the national, independent water efficiency expert and campaigner, and we have run a week-long UK-wide campaign of this kind for the last few years, working closely with water companies and governments - Water Saving Week - and this year reached 3.5 million people during the week. Wide support for this campaign is essential, and governments have a key role to play.

For us the key issue is finding the best way to build on existing expertise, knowledge, relationships and structures to deliver an effective and sustained national campaign. It could sit in government or in an existing body like Water UK - but the clear government support and use of existing expertise and models, including drawing on experts such as Waterwise, will be key to its success.

Love Water is an interesting and useful brand - including potentially going beyond water efficiency only into wider issues surrounding the value of water, such as unflushables and environmental pollution - but we believe it hasn't been as effective as it might have been in part because it hasn't drawn effectively on existing expertise and experience, both in the water companies and in Waterwise. Love Water has also not been run at a UK level - Welsh Government, regulators and companies have been unable to support it as a result. In addition, the governance has not been clear or inclusive.

Whatever the structure of the national campaign looks like going forward - and on the assumption that this is on the value of water more widely and not just the water efficiency element - Waterwise's expertise and experience will be central. We have worked with companies and direct with customers for many years on both campaigns and research, and we are keen to bring this to a sustained, UK-wide campaign. We stand ready to support the governments and water companies of the UK in this role, and to help bring in wider partners.

#### **4. Defra should more visibly support efforts to ensure that the non household retail market delivers more for water efficiency**

We recognise the concerns flagged by the NAO that water efficiency benefits trailed when the non household retail market was set up have largely failed to be delivered.

We were therefore pleased to see the recent joint letter from Ofwat and the Environment Agency to CEOs of wholesale and retail water companies pushing them to go further to

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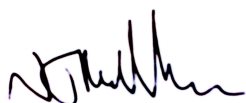
deliver water efficiency in the retail water market [Link](#). We found Defra very supportive of this initiative.

We agree with the NAO recommendation that there should be a review of the business retail market to identify barriers to achieving improvements in water efficiency and how to overcome them. However, we note that the joint letter asks for the drafting of a joint Action Plan to be prepared by wholesalers and retailers on this issue by Autumn 2020 with a review of its implementation two years later in 2022. We therefore suggest that any review is linked to this. There is also an outstanding piece of work to be undertaken in terms of reviewing why there are no incentives for non-household water efficiency in Ofwat's price review framework.

## **5. Defra should fund a replacement to the Water Technology List (WTL) it shut down in April 2020**

The WTL ([Link](#)) provided one of the very few independent places where UK businesses could go to find water-efficient equipment with tax incentives to encourage uptake. The WTL had limitations, and we believe a better alternative offering can be put in place, particularly at a time when the need to reduce non household consumption is increasingly recognised - see above. We would like to see a funded replacement replacement for the WTL, potentially linked to the implementation of a mandatory water label (see above).

Regards



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