

## Scoping the Water Efficiency Fund – second consultation

25<sup>th</sup> June 2024

This consultation response is on behalf of nature and animal welfare coalition Wildlife and Countryside Link ([Link](#)).

This response is supported by Angling Trust, Friends of the Earth, Institute of Fisheries Management, River Action, The Rivers Trust, The Wildlife Trusts, Waterwise.

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### Summary

Blueprint for Water welcomes the Water Efficiency Fund, and this opportunity to respond to the second scoping consultation. We strongly support the Fund, and welcome Ofwat's commitment to leadership in this area.

We welcome the proposed structure of the Water Efficiency Fund, including the two-stream approach, the proposed division of funds, and the approaches to evaluation. We recommend that the Fund would be further improved through making use of existing expertise across the water sector, such as the UK Water Efficiency Strategy to 2030, both in the development and delivery of the Water Efficiency Campaign (WEC) and the Water Efficiency Lab (WEL).

We recommend that the WEC be run independently of the water industry, not least due to the current lack of public trust in and satisfaction with the water industry, and therefore its reduced capacity to act as a trusted voice.

We would be happy to discuss any of the points in our response further.

## Questions

**Q1: Do you support, partially support or not support our overall proposal of a two-stream approach that includes a large behavioural change campaign and separate competitive process for water efficiency projects? Please give reasons for your response.**

We are supportive of the overall proposal for a two-stream approach, including a large behavioural change campaign and separate competitive process for water efficiency projects.

As discussed in our response to the previous Water Efficiency Fund consultation, understanding of the gravity and challenges of water stress is low amongst the public, with 94% underestimating how much water they use each day.<sup>1</sup> This is a significant barrier to improving the public relationship with water and their water use, and would be usefully tackled through the proposed behavioural change campaign. The campaign should also play a role in raising customer awareness of the environmental impact of water use. Given the public's current interest in the health of the water environment, this could prove helpful to encourage public engagement with the campaign.

Blueprint for Water recommends that the campaign should be developed and delivered in partnership with organisations who have experience hosting previous campaigns – for example, Waterwise, Water UK, and the Consumer Council for Water (CCW). This must be underpinned by robust governance, including clear policy to manage any potential conflicts of interest.

**Q2: Do you support, partially support or not support the proposed division of funds between WEC and WEL, recognising there is flexibility for this to change in response to events? Please give reasons for your response.**

We are supportive of the proposed division of funds between WEC and WEL, and that there will be flexibility for this to evolve. This should be evidence-based, informed by evaluation of outcomes and delivery of best value.

As recommended in our previous consultation response, the £100 million figure for the Water Efficiency Fund should be kept under review, and Ofwat must commit to increasing or extending this funding if objectives will not be met.

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<sup>1</sup> <https://www.water.org.uk/news-views-publications/news/vast-majority-brits-have-no-idea-how-much-water-they-are-using#:~:text=The%20research%20found%20that%2094,of%20a%205%2Dminute%20shower>

### **Q3: What could we do to improve the effectiveness of our proposals for WEC?**

The consultation document discusses the issue of legitimacy and has identified a risk regarding the WEC that “Customers may be unwilling or unable to make changes to their behaviour, often citing the need for the companies to also play their part first”.

We strongly agree that this question of legitimacy is a serious risk, and that the campaign must have a voice distinct from the water industry and the Government. Customer research published by Ofwat in 2024 shows that the vast majority of people do not trust water companies to do what’s right for the environment, and that trust in water companies and satisfaction with the service provided is only decreasing.<sup>2</sup>

The WEC should therefore not be run by, or be directly accountable to, the water industry. As discussed previously, Blueprint for Water recommend that the campaign must be developed and delivered working with wider stakeholder organisations who have run such campaigns successfully, to fully utilise their expertise and reach – for example, expert eNGOs such as Waterwise, and credible, trusted consumer-facing organisations such as the CCW.

Blueprint for Water supports recommendations made by Waterwise that a nationwide Water Literacy Programme should form part of the WEC.

Equity, diversity and inclusion must be fully incorporated into campaign development and delivery. The consultation document does acknowledge the need to engage vulnerable customers and those who are ‘harder to reach’ through digital platforms; this engagement must take account of needs across different protected characteristics and social groups to ensure that water efficiency is delivered inclusively and safely.<sup>3</sup>

### **Q4: What could we do to improve the effectiveness of our proposals for WEL?**

The WEL should draw on existing expert work that has already been developed, such as the UK Water Efficiency Strategy to 2030. This Strategy, which sets out a number of priorities for action

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<sup>2</sup> [Customer trust and satisfaction in water companies falling in latest Ofwat and CCW research - Ofwat](#)

<sup>3</sup> For example, see the ‘Everyone’s Environment’ programme publications, exploring how different social groups are impacted by environmental issues, and what their needs and priorities are: [Our publications - NPC \(New Philanthropy Capital\) \(thinknpc.org\)](#)



and quantifies their likely water saving, has been developed from the expertise and consensus of 100+ stakeholders across the UK water sector.

We agree that it would be beneficial to have different funding streams for different projects at different levels of readiness within each annual competition.

As discussed in our response to the previous consultation, all interventions must be fully evaluated for their efficacy and impact. Learnings from this evaluation process can then be used to further hone and evolve the WEL, to improve efficacy.

**Q5: Which areas do you think the WEL could most usefully contribute to?**

As discussed under Q4., the WEL should draw on the existing UK Water Efficiency Strategy to 2030 to determine areas of focus and to identify challenge statements, and should use learnings from a robust evaluation process to identify new or evolving areas.

**Q6: In relation to the Cost Benefit Analysis, do you agree with our estimation of the likely benefits of the WEF? How could this be improved?**

Blueprint for Water does not have specific comments on the figures produced by the Cost Benefit Analysis, but shares Waterwise's view that a focus solely on water savings means this may be an underestimate.

Blueprint for Water have elsewhere flagged concerns to Ofwat – for example, relating to the Price Review investment proposals – regarding the consistent under-valuing of environmental benefit and natural capital in Ofwat's cost benefit analyses. If the wider, multiple benefits of a more resilient water environment were incorporated, the estimated benefits of the WEF would very likely be higher, and may more helpfully make the case for the value of increased investment in water efficiency work.

In addition, the role of water efficiency in meeting water resources challenges is now clearer, with updated WRMPs setting out that water efficiency actions will need to deliver >2.2bn l/d in water savings by 2050. The cost of not achieving this could be high for both customers and the environment, meaning that the value of water efficiency work, and of the WEF in supporting this, is greater than may have previously been appreciated.

**Q7: Do you support, partially support or not support the WEC being run by a central delivery body as outlined in section 5.2.1. Please give reasons for your answer and outline any other approaches to running the WEC you think would be more effective.**

As discussed, risks regarding legitimacy could significantly undermine the success and impact of the WEC. Public trust in and satisfaction with the water industry is poor, which means that the water industry is not an effective trusted voice to encourage behavioural change.<sup>4</sup> Therefore, the campaign must have a voice distinct from individual water companies and the Government. The WEC should not be run by, or be directly accountable to, the water industry.

Blueprint for Water recommend that the campaign must be developed and delivered working with wider stakeholder organisations who have run such campaigns successfully, to fully utilise their expertise and reach – for example, expert eNGOs such as Waterwise.

Blueprint for Water is supportive of the Waterwise ‘enhanced WEC Agile CDB’ model, described in further detail within Waterwise’s response to the consultation.

**Q8: Do you support our proposal to integrate the administration of the WEL with the Innovation Fund? Please give reasons for your answer.**

We support the integration of the administration of the WEL with the Innovation Fund.

**Q9: Do you support the outline roles and responsibilities proposed for:**

**a) Ofwat (Y/N)**

No. Ofwat should not be responsible for setting WEC campaign requirements. The consultation document itself acknowledges that Ofwat does not have sufficient experience in running water efficiency campaigns. This responsibility would be better suited to the Water Efficiency Fund Advisory Panel.

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<sup>4</sup> For example, this can be seen in media and public dialogue around water (and sewage) leaks: [Thames Water pipe leaks at highest level in five years, Fol reveals | Water | The Guardian](#), [Water firms in England and Wales leaked ‘1trillion litres in 2021’ | The Independent](#), [Water bills: Fight for money back over sewage leaks begins - BBC News](#)

**b) The advisory panel (Y/N)**

Yes.

**c) The delivery partner (Y/N)**

Yes to WEL responsibilities, no to WEC responsibilities. We support Waterwise's proposed 'enhanced WEC Agile CDB' model.

**d) The evaluation partner (Y/N)**

Yes.

**Q10: What sort of representation should we seek on the advisory panel?**

The Advisory Panel should include representation from established experts across, and beyond, the water sector, from both England and Wales. This should include expertise across all relevant topics – for example, water efficiency, environment, campaigns, behavioural change, marketing. Ensuring representation and experience from experts beyond the water sector – for example, consumer-facing groups - will help mitigate the risk of groupthink.

The Advisory Panel must be kept informed of environmental considerations, particularly relating to avoiding unintended negative consequences and environmental impacts. The inclusion of environmental expertise on the panel would facilitate this. This could also provide a route of communication for sharing case studies of successful collaboration working between environmental groups, local communities, local authorities and water companies to improve water efficiency.

Equity, diversity and inclusion must be incorporated into panel selection, to ensure a diversity of voices and perspectives are represented.



**Q11: Under the Innovation Fund, those requesting funds from the annual breakthrough challenge are required to provide a contribution of 10%. This is to make sure that bids have corporate backing and as a demonstration of commitment. Do you support taking a similar approach for projects in the WEL?**

The 10% contribution should not be required for early-stage projects (<£125,000), where this cost could prove prohibitive.

**Q12: Do you have any comments on the proposals set out in Appendix B relating to evaluation, financing, achieving a legacy or protecting the funds? Please give reasons**

#### Evaluation

Blueprint for Water raised the importance of fully and robustly evaluating all interventions under the Water Efficiency Fund in our response to the previous consultation. We are supportive of the evaluation details proposed, and recommend that evaluation should be used to further hone and evolve the Fund over time.

Evaluation should make use of the 'Evaluation Toolkit for Water Efficiency Behaviour Change Initiatives' to ensure that evaluation is consistent.

#### Financing

As raised previously, the 10% contribution should not be required for early-stage projects (<£125,000), as this cost could prove prohibitive.

As recommended through our previous consultation response, the £100 million figure for the Water Efficiency Fund should be kept under review, and Ofwat must commit to increasing or extending this funding if objectives will not be met.

#### Achieving a legacy

Blueprint for Water raised the following points in our previous consultation response:

- To ensure a legacy beyond 2030, it is vital that learnings from the WEF are captured and communicated effectively.
- All interventions must therefore be fully evaluated for their efficacy and impact.
- Ofwat should also regularly review the progress and impact of the WEF as a programme following launch.

**Q13: Do you agree with our indicative timescales (Y/N)? Please give reasons.**

No. Due to the urgent need to improve water efficiency as soon as possible, both the WEL and WEC must be launched as close as possible to April 2025.

**Q14: Do you support the use of a gated mechanism to provide oversight of the WEC (Y/N)? Please give reasons.**

Yes. This will help ensure efficacy and impact, and allow any required amendments to be made swiftly.

**Q15: Is there anything else we should consider when designing the approach to the WEL?**

A vast range of Water Efficiency options have been selected in revised draft WRMPs and, as outlined above, the sector's reliance upon their success is high. The WEL should look at means of facilitating the delivery of options selected and of enhancing their effectiveness. It should also build in feedback mechanisms, such that options appearing to generate greater savings are prioritised within dynamic water resources planning processes.

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Wildlife and Countryside Link (Link) is the largest nature coalition in England, bringing together 82 organisations to use their joint voice for the protection of the natural world and animals. Wildlife and Countryside Link is a registered charity number 1107460 and a company limited by guarantee registered in England and Wales number 3889519.

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This response is supported by the following organisations:

- The Angling Trust





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- Friends of the Earth
- Institute of Fisheries Management
- River Action
- The Rivers Trust
- The Wildlife Trusts
- Waterwise