

By email to:

Rachel.Fletcher@Ofwat.gov.uk

Harvey.Bradshaw@environment-agency.gov.uk

25th January 2021

Dear Rachel & Harvey,

Delivering greater water efficiency in the business sector

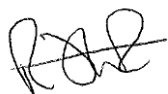
I am pleased to provide an update on the activities the Retailer Wholesaler Group (RWG) have been working upon in response to your joint letter dated 17th March 2020.

As requested within the joint letter, the RWG water efficiency sub group have “co-ordinated the production of an action plan”, which has included the consolidation of over 90 actions into 5 key headline actions.

We have undertaken two rounds of consultation with key stakeholders and based upon feedback received from UKWRC, we have created a RWG Water Efficiency Steering Group (RWG WESG) to provide representation from trading parties at a senior level. This will help to ensure there is industry acceptance of the action plans being proposed.

The RWG WESG have formally signed off the Headline Action Plan and are now in the process of setting up Task & Finish Groups to begin delivering upon these actions. We look forward to providing further updates on our implementation plan in due course.

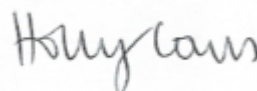
Yours sincerely,



Richard Stanbrook
RWG Chair



Simon Bennett
RWG Chair



Holly Corns
RWG Water Efficiency Sub
Group Chair

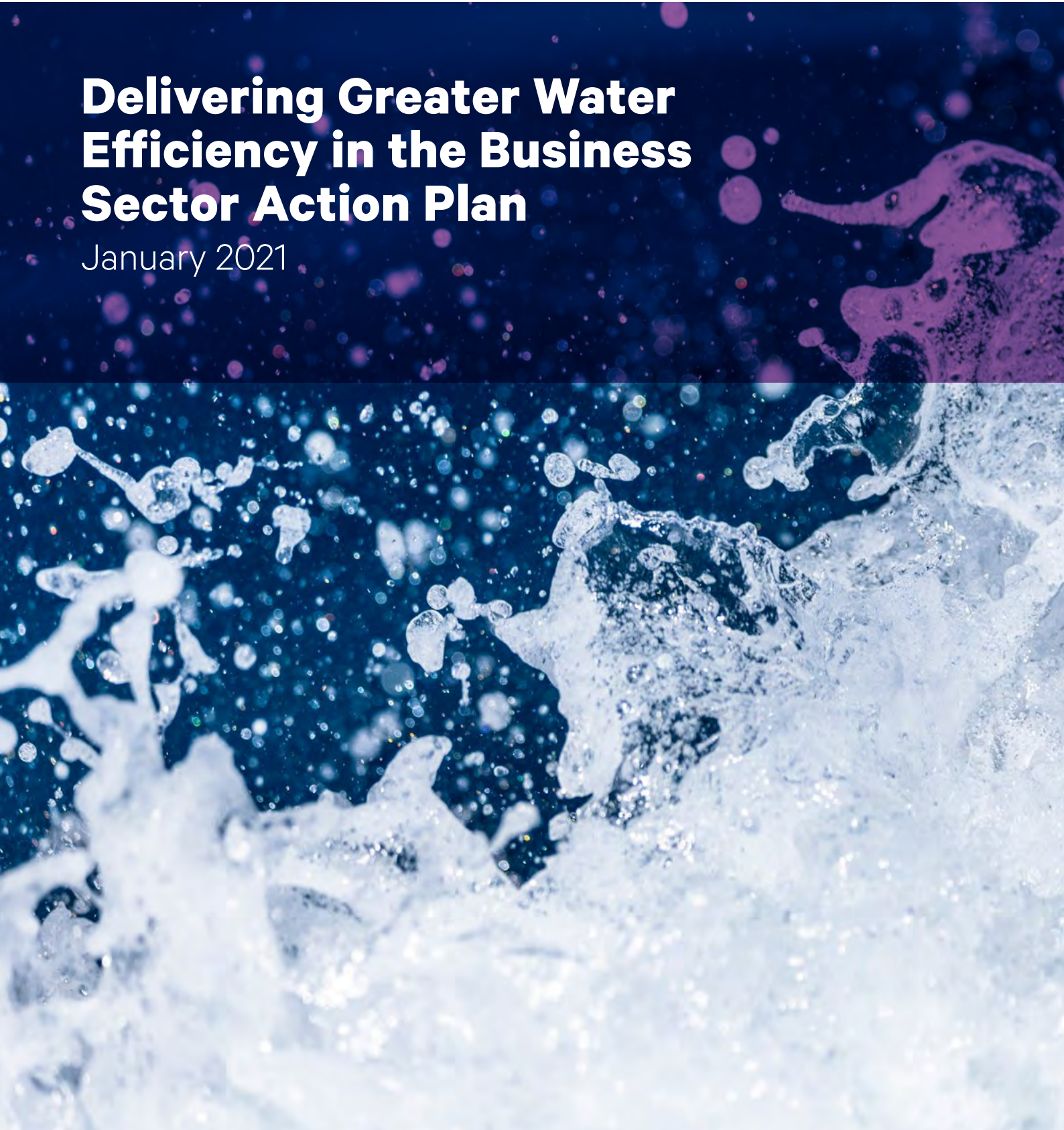
Enc. Delivering Greater Water Efficiency in the Business Sector Action Plan



Water Efficiency Sub Group

Delivering Greater Water Efficiency in the Business Sector Action Plan

January 2021



Summary

In March 2020 Ofwat and the Environment Agency (EA) asked the water retailers and wholesalers to work together to develop an Action Plan to help “deliver greater water efficiency in the business sector” and specifically “to develop and deliver 2024 water resource management plans that deliver significantly improved levels of water efficiency in the business sector”.

This is the Action Plan. It has been prepared by the Retailer Wholesaler Group (RWG) and sets out a series of actions for the industry; working with government, regulators, business customers and other stakeholders to:

- Provide greater clarity on expectations and ambition for business water efficiency;
- Improve understanding of how business water is being used, where and how much;
- Improve collaboration in water resource planning and in identifying and progressing options to meet future business and societal water needs;
- Identify and address wider regulatory and other relevant barriers to the delivery of business water efficiency; and
- Deliver insights into business customer motivations to save water using them to inform water saving campaigns and initiatives.

Delivery of the Action Plan will be led by the RWG with progress reported to Ofwat and the EA and to a new Senior Water Demand Steering Group (SWDSG) that we anticipate will be set up by Defra.



UK WATER RETAILER COUNCIL



The need for action

The National Framework for Water Resources published by the EA in March 2020¹ identified that without action we face a water supply deficit of over 3,400 million litres of water a day by 2050 due to population growth, climate change and the need to protect and restore the environment. Failure to act poses severe risks to our economy, society and the environment.

Using the water that we have more efficiently was identified as crucial in meeting future water needs.

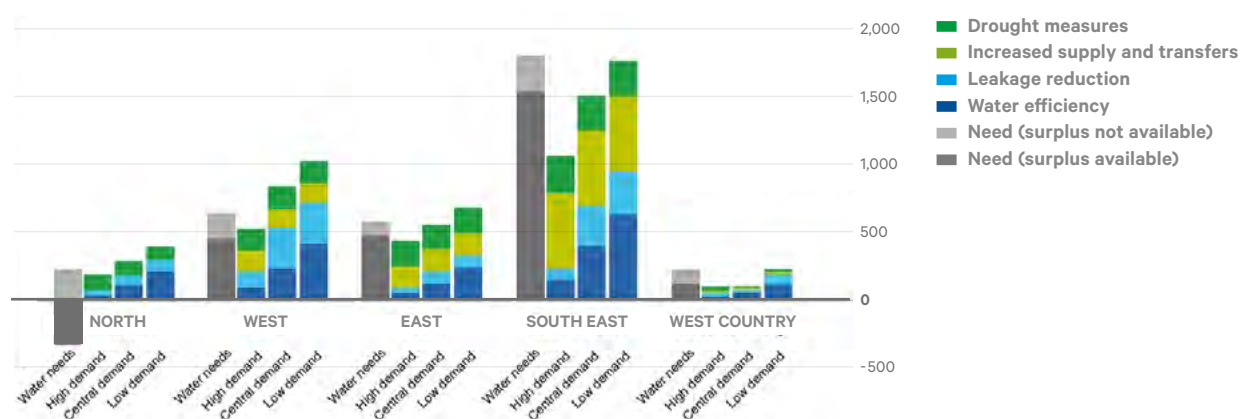


Figure 1 - Future additional water supply needs and the contribution of different options to meeting them (from National Framework for Water Resources, 2020)

With nearly one third of all water delivered to customers being used by businesses it is clear that realising greater water efficiency in the business sector can make an important contribution to securing long term sustainable water supplies.

The request for a joint Action Plan

Since April 2017 the water supplied by wholesale water companies to businesses in England has been via a retail market in which retail water companies compete for business customers.

One of the benefits anticipated when the retail market was set up was that increased competition amongst retailers would deliver improved water efficiency in the business sector². Whilst there has been some progress in terms of increased business customer interest in water efficiency services and achieved savings by some, it is widely accepted that more needs to be done given the scale of the water availability challenge we face^{3 4 5}. Possible reasons for lack of progress to date include lack of awareness by businesses of available water efficiency services or of the water availability challenge; insufficiently strong financial motivations for seeking water savings amongst both businesses and water retailers; poor quality data on consumption; and a regulatory framework that has focussed wholesaler resources onto reducing household water use rather than business or non-household (NHH) use.

Recognising these issues, on 17 March 2020 Ofwat and the EA issued a joint letter⁶ to both wholesale and retail water company CEOs in England and Wales (see Appendix 1) calling for them to work together to **“deliver greater water efficiency in the business sector”**. Specifically, the letter requested:

- Greater collaboration in preparing and delivering water resource management plans;
- Smarter use of water consumption data to support water efficiency actions; and
- Better co-ordination and collaboration during unplanned events and incidents.

The Retailer Wholesaler Group's (RWG) new water efficiency sub-group was tasked with developing a joint Action Plan within six months (extended due to Covid-19) setting out how the industry would address these areas and would work together **“to develop and deliver 2024 water resource management plans that deliver significantly improved levels of water efficiency in the business sector”**.

2 <https://www.open-water.org.uk/about-open-water/the-benefits/>

3 <https://www.ofwat.gov.uk/wp-content/uploads/2020/08/Review-of-incumbent-company-support-for-effective-markets.pdf>

4 <https://www.ofwat.gov.uk/regulating-companies/markets/business-retail-market/state-of-the-market-2019-20-review-of-the-third-year-of-the-business-retail-water-market/>

5 <https://www.ccwater.org.uk/wp-content/uploads/2020/07/Non-household-water-customer-complaints-2019-20.pdf>

6 <https://www.ofwat.gov.uk/wp-content/uploads/2020/03/20200317-ltr-CEOs-from-Rachel-Fletcher-and-Harvey-Bradshaw.pdf>



Retailer Wholesaler Group (RWG) – Water Efficiency Sub-Group

The RWG is a trading party voluntary group comprising water retailers, wholesalers, CCW, MOSL, EA, Defra, Self-suppliers, Waterwise, and Ofwat. It was set up to help wholesalers and retailers work together to tackle the big market operational issues and make changes/ share good practice to improve overall customer service in the market.

The RWG Water Efficiency sub-group was established in February 2020 following a poll by the main RWG which identified water efficiency as a key priority area needing additional focus. See Appendix 2 for a list of members.

Project management

Following receipt of the joint letter, a Project Management team was established. The group consisted of:

Name	Company
Holly Corns (Chair)	South West Water
Nathan Richardson	Waterwise
Shaun Kent	Ofwat
Liz Cairns	Environment Agency
Kruti Patel	Defra
Lydia Makin	Waterwise
Liz D’Arcy	MOSL
Lois Gill (from Sept 20)	Everflow Water

Their role has been to:

- To develop a project plan timeline and track progress against the plan (Appendix 3);
- To highlight any risks and issues and provide solutions or escalate as necessary;
- To develop and implement a stakeholder engagement plan (Appendix 4);
- To provide regular updates to RWG members on the Action Plan (Appendix 5);
- To identify overlaps and to consolidate potential actions into headline actions; and
- To promote the development of the action plan.

Regulator input

Shaun Kent (Ofwat) and Liz Cairns (Environment Agency) have provided support to the sub-group in the development of the Action Plan.

Their role has been to:

- Observe and understand what, how, why and when the RWG is developing actions both to consider and promote water efficiency in the non-household market, and in response to the joint Ofwat-EA letter – particularly regarding the development of an industry joint action plan;
- Input thoughts and ideas intended to help the group understand, develop and express the above, but not provide policy steer or instructions;
- Offer thoughts based on their experiences as a regulator that might help the group understand the implications, limits, or effects of its proposed actions or policies; and
- Liaise with the RWG project management team to understand and comment on progress against the milestones and objectives.

Task and Finish groups

In early April the Project Management Team set up three Task & Finish (T&F) groups to identify potential actions linked to the key requests within the joint letter.

Group	Focus	Co-ordinator
Ai	Water Resource Management Plans (WRMPs): Collaboration between wholesalers and retailers	Lydia Makin, Waterwise
Aii	Competition Act 1998	Kruti Patel, Defra
B	Water consumption data: Improving meter reading and data quality	Liz D’Arcy, MOSL

From April to June, the three T&F groups held a number of “virtual” meetings to identify potential actions. Between the groups, over 90 potential actions were put forward.

Note: There is already a separate RWG sub group for “Unplanned events” and following a review and feedback from the RWG Water Efficiency sub-group, the Best Practice guide has been updated. Actions relating directly to the unplanned events group are not repeated in this water efficiency focussed action plan.

Consolidated headline actions

During early July the outputs from the three T&F groups were reviewed by the PM team and consolidated into five headline actions and a small number of secondary actions linked to them.

The headline actions were sent to RWG Water Efficiency Group members, who were asked to comment on them and answer the following questions:

- Is anything substantive missing from the headline actions; what?
- Is there anything that you strongly disagree with; what, why?
- Do you have any thoughts on our suggested action ownership?
- Do you have any thoughts on deadlines for the Actions?
- In your view, are there any parts of the proposed work plan that could not progress without additional explicit funding? If so, what parts of the work plan would need funding and why?
- Do you have any thoughts on how funding can be secured to progress with those actions that need it?
- Do you have any suggestions for stakeholders we should engage with at the next stage?

Following feedback from the RWG sub-group members and from the UK Water Retailers Council (UKWRC), the Headline Actions were updated for formal consultation.

Consultation

Formal consultation commenced on 17 August 2020. The full consultation document can be found at **www.mosl.co.uk/market-codes/consultation**.

The consultation was sent to key stakeholders and was also promoted via several additional channels including:

- An email from Ofwat to trading parties;
- Inclusion in The Water Report magazine;
- Circulation to all MEUC members;
- An email to 400+ interested parties via MOSL;
- A reminder email to 400+ interested parties sent via MOSL comms on 1 September 2020;
- Inclusion on MOSL consultation website;
- A virtual meeting with UKWRC; and
- An update item in the monthly Waterwise newsletter.

The consultation closed on the 8 September 2020. 28 responses⁷ were received including 10 from retailers; 13 from wholesalers and five from customers and other organisations. The response headlines were:

- General support for the headline actions;
- A request for an existing sub-action on setting a scale of ambition to be moved so that it is a separate headline action;
- A request for a new sub-action to be added focused on filling data gaps and making data available to customers;
- A request for a sub-action on rolling out smart metering, particularly for higher water using businesses, with the data available to the business; retailer and wholesaler;
- A general point to strengthen across the Action Plan the importance of understanding customer motivations to save water, including how this links to the regulatory framework and how customers can be incentivised to save water;
- Several respondents suggested that an action was needed to simplify tariffs linking them to signals to save water;
- There was sensitivity about any changes to the Market Performance Framework that add costs to retailers;
- There was a request from several respondents to remove the headline action on unplanned events and incidents and to signpost to where this will be dealt with going forward; and
- There was a general comment from several respondents about funding of some of the actions, for example water savings campaigns or regulatory review work.

Whilst finalising the actions there were also presentations and further engagement with RWG members; the UKWRC; Waterwise's Retailer Leadership Group, the MEUC; MOSL's User Forum; the National Water Resources Framework Senior Steering Group and senior directors in Ofwat, MOSL and Defra.

RWG Water Efficiency Steering Group (RWG WESG)

Following consultation feedback received from UKWRC, a more formal Steering Group has been established to review the consultation feedback and develop the final set of Headline Actions. This group provides greater representation at a more senior level from trading parties and will help to ensure there is industry acceptance of the action plans being proposed. See Appendix 7 for the Steering Group Terms of reference.

⁷ A copy of the responses is available on request, and will shortly be published alongside this document on the MOSL website.

The Action Plan

The overall aim of the Action Plan

The overall aim of the Action Plan is to help deliver greater water efficiency in the business sector and specifically to meet the request in the March 2020 letter from Ofwat and the EA for the industry to work together to “develop and deliver 2024 water resource management plans that deliver significantly improved levels of water efficiency in the business sector”.

To achieve this the Action Plan includes headline actions that will help:

- Provide greater clarity on expectations and ambition for business water efficiency;
- Improve understanding of how business water is being used, where and how much;
- Improve collaboration in water resource planning and in identifying and progressing options to meet future business and societal water needs;
- Identify and address wider regulatory and other relevant barriers to the delivery of business water efficiency; and
- Deliver insights into business customer motivations to save water using them to inform water saving campaigns and initiatives.

The Action Plan tables

The five headline actions and their associated sub-actions are presented below.

Headline Action 1 Develop a shared view with policy makers and regulators of the scale of short term and longer term non household (NHH) water efficiency ambition	Action	Owner	Timescale
	1.1 Document the RWG WEG's vision for how we can contribute to the delivery of improved levels of water efficiency in the non-household market, including objectives	RWG	March 2021
	1.2 Engage with the Environment Bill target setting process (Oct 20 - Sept 21), including supporting the development of the evidence base underpinning any long term demand reduction target (e.g. scale of challenge; what has happened to date; what is the potential?)	RWG	September 2021

Headline Action 2 **Improve understanding of the nature of non household (NHH) water consumption through smarter use and better sharing of data**

This is a key enabler to the development of further water efficiency initiatives within the plan.

Action	Owner	Timescale
2.1 Complete preliminary analysis, using existing data, which will provide a greater understanding of NHH water use; water availability and an enhanced view of market geography (i.e. consumption analysis and segmentation by industry type)	MOSL with support from RWG	March 2021
2.2 Share findings of 2.1 and identify where further work is needed in collaboration with stakeholders to ensure the right information is being provided and further development will deliver what is needed	MOSL with support from RWG	April 2021
2.3 Consider options for how the data is accessed, updated and shared, taking into account commercially sensitive information. For example an enhancement to CMOS and/ or a GIS based solution. Initiate delivery of preferred option	MOSL with support from RWG	June 2021

Headline Action 2

continued

2.4

Collaborate on existing programmes (e.g. MPOP) aimed at addressing data quality (including customer, asset and meter read data) to ensure that an increasingly more comprehensive picture of NHH consumption is available

MOSL with support from RWG

March 2021
(likely ongoing)

2.5

Scope out an approach for creation of indicative user benchmarking, linking to 2.1 and 2.2, and agree common metrics between wholesalers and retailers for consumption and savings

RWG

July 2021

2.6

Linking in with the existing MOSL Strategic Metering review, explore and provide recommendations (to SWDSG) on the possible options for providing NHH customers with accurate and timely consumption data. This will include consideration of options for ensuring a consistent approach to increasing smart metering coverage across England and Wales NHH retail market

RWG

June 2021

Headline Action 3

Improve engagement of retailers in the water resource planning process (Regional and WRMP24)

Action	Owner	Timescale
3.1 Include NHH demand management more explicitly in WRMP24 guidance being developed	EA with support from RWG	January 2021
3.2 Establish National wholesaler / retailer WRMP24 collaboration group (potentially the RWG WRMP Task & Finish group or using another existing group)	RWG	January 2021
3.3 National wholesaler / retailer WRMP24 collaboration group to further define and guide retailer involvement in the development of multisector regional water resource management plans, and liaise with regional planning groups and individual wholesale companies	Wholesaler / retailer group	Refer to Appendix 6
3.4 Use insight gathered from Headline Action 1 and Action 2 to inform the water resource planning process at a range of scales and, in particular, regional and company scale options identification and selection	RWG	Refer to Appendix 6

Headline Action 4
Drawing on customer insight; identify and address wider regulatory and other relevant barriers to non household (NHH) water efficiency, including reviewing tariffs, targets, incentives and penalties

Action	Owner	Timescale
4.1 Develop guidance, supported by case studies, setting out how wholesalers can work with retailers to deliver NHH water savings in compliance with the Competition Act	RWG	April 2021
4.2 Drawing on insights from customers (Action 5) undertake a review of the effectiveness of existing: <ul style="list-style-type: none"> • Regulations • Tariffs • Targets • Penalties • Incentives for wholesalers, retailers and customers. Explore how these could potentially be amended to support greater water NHH efficiency.	RWG	August 2021

Headline Action 5
Collaborate to raise the profile of water efficiency with non household (NHH) businesses and their customers

Action	Owner	Timescale
5.1 Review existing evidence base and undertake additional customer research and engagement where required to understand customer motivations which will inform potential future collaborative campaigns and feed in to the delivery of all actions within the plan	RWG	March 2021
5.2 Develop a customer engagement plan based upon the findings in 5.1 to support successful delivery of all actions within the plan	RWG	To be confirmed within the plan
5.3 Using the outputs from Headline Actions 1 and 2 and the customer research undertaken in 5.1, provide recommendations to SWDSG on an approach to raising awareness of the need to be more water efficient within the NHH Sector	RWG	May 2021

Unplanned events and incidents

Improving co-ordination between retailers and wholesalers during unplanned events and incidents was highlighted as needed in the regulators' letter. There is an existing RWG sub-group that is responsible for developing guidance⁸ and progressing actions around unplanned events and incidents. Therefore, the RWG Water Efficiency sub-group has liaised with that group and fed in any suggestions rather than include them in this Action Plan which is focussed on water efficiency.

Delivering the Action Plan

Governance

Overall delivery of the Action Plan will be led by the RWG WESG and its members. In overseeing the delivery of RWG led actions in the Action Plan, the WESG will provide guidance and will ultimately decide when the actions have been satisfactorily completed, or if further work is required to reach a consensus at WESG level.

Any changes to the Action Plan after its initial creation must be approved by the WESG and the RWG chairs.

Reporting and reviewing progress

It is important that progress in delivering this Action Plan is reported and monitored and that any issues preventing its implementation are recognised and addressed. As requested in the regulators' letter progress in delivering the Action Plan will be regularly reported by the RWG WESG to Ofwat and the EA. This will be at least quarterly.

In addition, the RWG WESG will report into the new SWDSG set up by Defra to monitor and report on wider progress to be established on water demand management.

Updating the Action Plan

The Action Plan sets out key actions over the next two to three years to deliver greater water efficiency in the business sector. However, it is recognised that there may be a need to add additional actions in that period. For example, to accommodate new developments or take into account the outcomes of the actions already included in the plan. Any decision on whether any updates are needed will sit with the RWG WESG.

Funding of actions

Whilst many of the actions identified by the RWG can be progressed using existing resources across wholesalers, retailers and other RWG participants it is thought probable that a number of them will require new funding to be secured.

As part of the delivery of the Action Plan, the RWG WESG will highlight actions that cannot be delivered without funding, with a view to exploring what industry funding options may be available, such as the Market Improvement Fund, and where necessary for further consideration and discussion with Ofwat, EA and SWDSG.

Next steps

The RWG WESG have formally signed off the Headline Action plan and are currently in the process of setting up Task & Finish groups relating to the individual Headline Actions to work on the delivery of the actions.

It is imperative that each Task & Finish Group has balanced representation from retailers and wholesalers. To ensure this is the case, a wholesaler and retailer from the RWG WESG has been assigned to lead each of the groups.

Barry Millar from Waterscan will represent Self-suppliers.

Appendices

Appendix 1

The letter from EA and Ofwat requesting the Action Plan

Appendix 2

RWG membership

Appendix 3

Project plan

Appendix 4

Communications plan

Appendix 5

Communications materials

Appendix 6

Key Water Resource Management Planning milestones

Appendix 7

RWG Water Efficiency Steering Group (WESG)



Appendix 1

The letter from EA and Ofwat requesting the Action Plan



Centre City Tower, 7 Hill Street, Birmingham B5 4UA
21 Bloomsbury Street, London WC1B 3HF

By email

A joint Ofwat – Environment Agency open letter

17th March 2020

Dear Chief Executives¹

Delivering greater water efficiency in the business sector

In April 2020 it will be three years since the introduction of retail competition to the non-household (i.e. business) water market in England. One of the main reasons for enabling business customers to choose their provider was to encourage and further improve water efficiency, promoted through competitive offers made by retailers.

The business retail market accounts for nearly a third of all water delivered to customers in England. This means improved water efficiency in the business sector can contribute significantly to meeting national needs for delivering water on a long-term, sustainable basis. These needs have recently been confirmed in the Environment Agency's [Meeting our Future Water Needs: a National Framework for Water Resources](#). This sets out the importance of all industry parties helping to improve security of supplies and drought resilience.

It follows that improving water efficiency in the business retail market is a high priority for Ofwat, the Environment Agency and Defra. We expect wholesalers and retailers to deliver improved levels of water efficiency in the non-household sector, under their statutory duty to promote efficient use of water by their customers (WIA91, s.93A).

Some business customers are already actively pursuing more efficient use of water - for example three self-supply retailers have reported savings of around 150 megalitres in 2018. And Business Stream has committed to helping its customers save 20% on their water usage. However - overall - offers and take up of water efficiency services have been small, which means the business sector is not currently playing its part in meeting national needs for delivering water on a long term, sustainable basis.

We recognise that there are challenges in improving water efficiency and reducing demand. For example, Ofwat has reported² a number of inherent problems in the business retail market, including a lack of complete, accurate and timely meter reads, which can undermine retailers' and customers' ability to measure and manage water efficiency. It is our view that

¹ Of authorised wholesalers and licensed retailers in England and Wales

² Ofwat has identified three principal market frictions, which are inhibiting the development of a more effective market - see Ofwat's [State of the market report 2019](#)

Appendix 1 continued

The letter from EA and Ofwat requesting the Action Plan

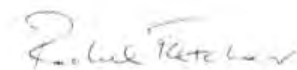
these challenges can and must be met. Ofwat, the industry and MOSL are working to address the market frictions through a number of targeted initiatives. Ofwat expects both wholesalers and retailers to fully support these initiatives.

We also believe there are further steps that industry must take to improve levels of water efficiency and we set these out in the Annex. To ensure the business sector plays its part in meeting national needs for delivering water on a long term, sustainable basis, wholesalers and retailers should take the actions and address the areas set out in the Annex as a priority.

We also request wholesalers and retailers to work together to produce a joint industry plan of action, which also sets out how they intend to work together to develop and deliver 2024 WRMPs that deliver significantly improved levels of water efficiency in the business sector. The joint action plan, which should clearly set out how progress can be monitored between now and 2024, should be developed within six months of receipt of this letter so it can be presented to a group set up as part of a new monitoring and reporting framework to report on progress on demand management. This group will be set up in early 2020 through our work with government on the national framework. The recently established Retailer – Wholesaler Group (RWG) water efficiency sub group, comprising wholesaler and retailer representatives, would be ideally placed to coordinate production of the joint action plan. Companies could also consider how they will make use of their websites, social media channels etc. to publicise the action they are taking on water efficiency and to raise awareness.

Ofwat and the Environment Agency will monitor progress and also look at ways to improve performance if required. If progress is made over the next 2 years, it will contribute to more efficient non-household water use and cost savings for businesses, increase the resilience of our water supplies and deliver benefits for water customers and the environment. We also welcome suggestions on what more could be done to further improve levels of water efficiency in the non-household sector - both from industry as well as other stakeholders.

Yours sincerely



Rachel Fletcher
Chief Executive
Ofwat



Harvey Bradshaw
Environment Agency Executive Director,
Environment and Business
Environment Agency

Appendix 1 continued

The letter from EA and Ofwat requesting the Action Plan

Annex

Steps that industry must take to improve levels of water efficiency

A. Water Resource Management Plans (WRMPs): Collaboration between wholesalers and retailers

- Wholesalers are required to prepare Water Resource Management Plans ('WRMPs') that plan for a minimum of 25 years and identify the interventions (demand and supply management) to ensure resilience to drought.³ Preparation for the next set of WRMPs is underway and we expect these plans to include ambitious water efficiency savings from the non-household sector. There are two important areas for the industry to address:

i. Retailer – wholesaler engagement

- It is essential that wholesalers and retailers engage early on the development and delivery of WRMPs⁴. Wholesalers should start thinking ahead to the next price review and how they can work effectively with retailers when developing their WRMPs ahead of PR24. It is also important that retailers work with both wholesalers and customers to ensure that customers' needs are reflected in the WRMPs, associated wholesalers' planning, and that the business sector makes an appropriate contribution to the delivery of overall water efficiency.

ii. Competition Act 1998 concerns

- Some wholesalers have voiced concerns that they are not permitted to act in the business retail market because of their obligations under the Competition Act 1998. The concerns relate to contacting or working directly with retailers and end business customers in order to improve water efficiency.
- Provided wholesalers, retailers and other stakeholders act in compliance with competition law, we see no reason why they should not work together towards identifying and delivering ways for business

³ Wholesalers last updated their WRMPs in 2019 ('WRMP19'), with the next update due in 2024. Preparation for these will need to begin well in advance, and take account of the Water Resources National Framework.

⁴ For example as Ofwat highlights in the [annex to Ofwat's recent PR19 determination](#).

Appendix 1 continued

The letter from EA and Ofwat requesting the Action Plan

customers to use water more efficiently and reduce leakage.⁵ This means among other things that a wholesaler may work with retailers on a non-discriminatory basis to offer water efficiency advice and services to end business customers, and in ways which preserve retailers' and other stakeholders' scope to do the same. For instance, Thames Water is currently running a trial scheme in which Thames Water rewards in-region retailers with a one-off payment of 5p per litre per day of water saved for each of their non-household customers.

B. Water consumption data: Improving meter reading and data quality

- MOSL is working with industry to improve the frequency and accuracy of meter reads. Ofwat is committed to supporting MOSL with these initiatives and we expect the industry – both wholesalers and retailers – to support and take forward this work. Given that industry is subject to a self-governance framework in the business retail market, wholesalers and retailers can pursue amendments to market codes. This includes those relating to metering and meter reading, or where amendments may facilitate better or more cost effective provision of water efficiency services.

C. Coordination during unplanned events and incidents

- Retailers are the primary point of communication with business customers, but wholesaler actions can materially influence the service and information that those customers receive. For example, in times of supply shortages, a wholesaler may need to introduce restrictions. Wholesalers and retailers have recently developed [Good practice](#), and adopted market code changes, to better govern how they should coordinate and communicate with customers, for example to ensure that customers are prepared for any service restrictions. This is a good starting point but we think more could be done to proactively reduce and manage the risks and impact of any supply restrictions. For example we expect wholesalers to gauge if and where restrictions on use may need to be prioritised, and to work with retailers to ensure this data is shared with customers in a timely manner.

⁵ Guidance on compliance with competition law obligations is available both from Ofwat ([Guidance on Ofwat's approach to the application of the Competition Act 1998](#)) and the CMA ([CMA Competition Act, Cartels](#)).

Appendix 2

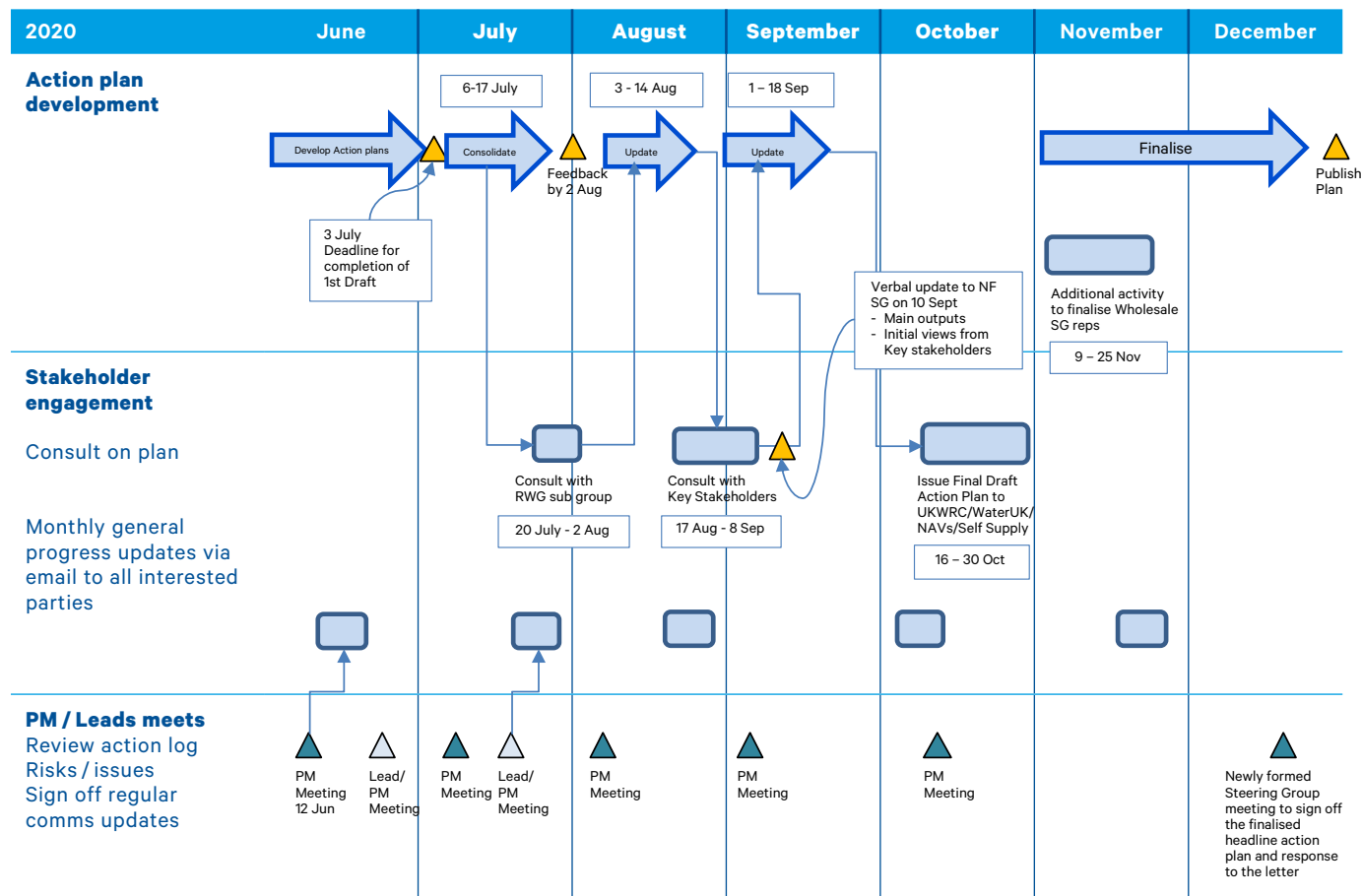
RWG membership (as of August 2020)

Name	Company
Alison Murphy	SES Water
Evan Joannette	MOSL
Gerard Lyden	Thames Water
Graham Mann	SwitchSupplier.com
Hayley John	Bristol Water
Jo Barnes	Anglian Water
John Birkhead	United Utilities
Kevin North	Pennon Water Services
Lisa Connell	MOSL
Liz Smedley	DeMeter Water solutions
Marissa Vandonkelaar	Thames Water
Martin Phelps	Dwrcymru
Mumin Islam	Affinity Water
Nick Butt	Conservaqua
Nigel Ponsford	Pennon Water Services
Oli Shelley	Wave Utilities
P Stephens	Anglian Water
Sally Brembnr	Thames Water
Sarah McLaughlin	SES Water
Stanley Reid	Business Stream
Stephanie Williams	Dwrcymru
Suzanne Dunn	Yorkshire Water
Syndiso Bango-dube	Waterscan
Tim Guest	SwitchSupplier.com
Trevor Hobb	Northumbrian Water
Gary Hinks	Castle Water
Natalie Round	Severn Trent Water
Luke Austin	MOSL
Lydia Makin	Waterwise
Emma McCabe	United Utilities
Gary Lynn	South West Water
Gemma Williams	Water-Plus
Linda Holliday	South East Water
Ashley Marshman	Southern Water

Name	Company
Justine Lewis	Southern Water
Lois Gill (WESG)	Everflow Water
Barry Millar (WESG)	Waterscan
Nathan Richardson (WESG)	Waterwise
Kruti Patel (WESG)	Defra
Liz Cairns (WESG)	Environment Agency
Shaun Kent (WESG)	Ofwat
Aimee Shaw (WESG)	Wessex Water
Andrew Tucker (WESG)	Thames Water
Richard Barton (WESG)	Pennon Water Services
Holly Corns (WESG)	South West Water
Ros Carey (WESG)	Business Stream
Ana-Maria Millan (WESG)	CCW
Liz D'Arcy (WESG)	MOSL

Appendix 3

Project plan – June to December 2020



Appendix 4 Communications Plan

Power / Influence	Keep updated	Manage closely & collaborate
	<ul style="list-style-type: none"> - Ofwat (through Shaun) - MOSL (through Liz) - Defra (through Kruti) - EA (through Liz C) - NRW 	<ul style="list-style-type: none"> - RWG Sub group T&F Leads and Members
	Inform	Keep informed & consult
	<ul style="list-style-type: none"> - Wholesale account managers - Retailer account managers - External trade press (Water Report, Utility Week etc) 	<ul style="list-style-type: none"> - CCW (through group representation) - RWG Sub Group - RWG Main Group - UK Water Retailer Group - WaterUK - MEUC
Level of interest		

Who	Message	Frequency	Method
Keep updated	Briefing Note	At start	
	Highlight report <ul style="list-style-type: none"> - Status - Issues 	Monthly	E-mail template
	Exception reports	As necessary	
Keep informed and consult	Briefing Note	At start	
	Highlight report	Monthly	E-mail template
	Sub-group specific updates	As necessary	Optional invitation to subgroup meetings
Inform	Briefing Note	At start / middle / end	E-mail
Manage closely and collaborate	Highlight report	Monthly	E-Mail
	T&F lead updates	Fortnightly / Monthly	Meeting / call

Appendix 5

Communications materials

- Monthly update to key stakeholders
- Article in 'The Water Report'
- Engagement with UKWRC Phill Mills
- Presentation to 'The Water Efficiency Network'
- Update in Waterwise monthly newsletter

- Monthly update to key stakeholders
- Update article in 'The Water Report'
- Presentation to MOSL User Forum
- Meeting with Isle Utilities regarding their work with MOSL
- Update in Waterwise monthly newsletter

- Consultation document (click here to view)

17th July 2020

RWG Water Efficiency Update

Halls: Have been part of training and roll out, beginning at just over the new normal. The 2020 update has been implemented for all residential water efficiency. The 2021-22 Financial Year update has been implemented for all residential water efficiency. The 2022-23 Financial Year update has been implemented for all residential water efficiency. The 2023-24 Financial Year update has been implemented for all residential water efficiency.

Residential: Have been part of training and roll out, beginning at just over the new normal. The 2020 update has been implemented for all residential water efficiency. The 2021-22 Financial Year update has been implemented for all residential water efficiency. The 2022-23 Financial Year update has been implemented for all residential water efficiency. The 2023-24 Financial Year update has been implemented for all residential water efficiency.


Key activities to date:

- Completed the 2020 update for all residential water efficiency.
- Completed the 2021-22 Financial Year update for all residential water efficiency.
- Completed the 2022-23 Financial Year update for all residential water efficiency.
- Completed the 2023-24 Financial Year update for all residential water efficiency.

2023-24 Financial Year:

- Completed the 2023-24 Financial Year update for all residential water efficiency.
- Completed the 2023-24 Financial Year update for all residential water efficiency.
- Completed the 2023-24 Financial Year update for all residential water efficiency.
- Completed the 2023-24 Financial Year update for all residential water efficiency.

[illegible]

16 th October 2020		RWG Water Efficiency Update					
<p>A huge thanks to all of you who have contributed to the development of the Headline Actions. Following consultation in August, we have revised the headline actions to take on board feedback received and have also started to put a more formal governance process in place to ensure that industry leaders are brought in to the plan (Draft Terms of reference attached for information). Today, we will be sending a letter to UKWRC, Water UK and Self-suppliers (UKWRC/Water UK version attached for information) which will provide them with a final opportunity to review the headline actions and ask them to provide nominations to become part of the newly established RWG Water Efficiency Steering Group.</p>							
Summary Headline Actions			Next steps				
1	Develop a shared view with policy makers and regulators of the scale of short term and longer term non household (NH) water efficiency ambition	By Oct 30 th	<ul style="list-style-type: none"> Final feedback on the headline action plan from UKWRC, Water UK, Self Suppliers New UKWRC Group members nominated 				
2	Improve understanding of the nature of non household (NH) water consumption through smarter use and better sharing of data	Early Nov	<ul style="list-style-type: none"> Sign off of the Headline Action plan by Steering Group Kick off session for Headline Action 3 				
3	Investigating engagement of Retailers in the water resource planning process (Regional and WMP24)	Mid Nov	Plan published				
4	Drawing on customer insight, identify & address water regulatory barriers to non household (NH) water efficiency, including reviewing tariffs, targets, incentives and penalties	End Nov	Presentation to Senior Water Demand Management Group.				
5	Catalyse on the development of campaigns and incentives to raise the profile of water efficiency with non household (NH) businesses and their customers	Dec-Jan	SG to develop high level implementation plan, and engage RWG WEG members for input in to delivery				
<p>If you would like to be part of the new Steering Group, please direct your interest to your industry rep via UKWRC or Water UK. If you have any queries or further feedback, please feel free to email hcdm@acornswater.co.uk</p>							

Appendix 6

Key Water Resource Management Planning milestones

Year	Month	Work area	Activity
2019	August	Drought plans	Drought plan guideline consultation
	December	Drought plans	Drought plan guideline published
		National Framework	National Framework published
2020	February	Regional plans	Resource Position Statement
	Summer	WRMP24	WRPG guideline consultation
	July	Regional plans	Method and process agreement
	October	River Basin Management plans	RBMP consultation (6 months)
	December / January	WRMP24	WRPG published
2021	January	Drought plans	Submit draft drought plans
	February	Drought plans	Draft drought plan consultation
		Regional plans	Resource Position Statement – updated
	August	Regional plans	First draft of regional plans shared
		Drought plans	Drought plan statement of response
	December	Regional plans	Changes agreed to regional plan
		River Basin Management plans	Publish RBMP
2022	January	Regional plans	Informal consultation on regional plans
		WRMP24	Enhanced pre-consultation
		Drought plans	Publish final drought plans
	August	Regional plans	Publication of regional plan
		WRMP24	Submit draft WRMP
	September	WRMP24	Draft WRMP plan consultation
2023	Spring	WRMP24	WRMP statement of response
	Summer TBC	Business plans	Submit draft business plans
	September	WRMP24	Publish final plans
		Regional plans	Publish final regional plan
2024	Spring TBC	Business plans	Final business plans

Appendix 7

RWG Water Efficiency Steering Group (WESG)

Group purpose

To oversee the development and delivery of an industry led non-household Water Efficiency Action Plan, which will deliver improved levels of water efficiency in the non-household market for the benefit of all water consumers and the environment.

Roles and responsibilities of WESG

Creation of the plan

- Initial creation of an Action Plan, with input from industry.
- Lead consultation on the Action Plan throughout its development.
- Refinement of the plan based on feedback from the consultation process.

Sign-off of the plan

- The WESG will finalise the content and format of the Action Plan and sign off the plan before it is presented to the RWG chairs for approval.
- The SWDSG will not sign-off the plan, but will provide oversight, and direction where needed.
- The WESG will escalate issues they cannot resolve directly to the SWDSG and will provide the SWDSG with recommended actions.

Delivery of the plan

- The WESG will oversee the delivery of actions in the plan which are assigned to the RWG.
- The WESG may establish or reorganise RWG Task and Finish Groups to work on the delivery of actions within the plan.
- Task and Finish groups will usually be led by a WESG member.
- In overseeing the delivery of RWG led actions in the Action Plan, the WESG will provide guidance to the Task and Finish groups and will ultimately decide when the actions have been satisfactorily completed, or if further work is required to reach a consensus at WESG level.
- The delivery of the plan will not necessarily be constrained by water company business planning cycles.

Changes to the plan

- Any changes to the Action Plan after its initial creation must be approved by the WESG and the RWG chairs.
- The WESG will proactively review and update the sub-actions to keep the document 'live' and maintain momentum in delivering the five headline actions.

General responsibilities

- The WESG will undertake an annual review of scope of the Water Efficiency sub group activities to avoid duplications and ensure alignment with the other RWG groups work.
- The WESG will maintain up to date Terms of Reference, with any changes requiring the approval of the RWG Chairs.
- The WESG will provide regular and transparent communication with interested and/or affected stakeholders about the development and delivery of the plan.

WESG membership principles

- Industry led (the Chair will be a wholesaler or retailer rep).
- Balance of wholesaler and retailer representation (three of each).
- Wholesaler / retailer reps to be sourced through Wholesale Interface WESG / UKWRC.
- Wholesaler / retailer reps are to represent the industry and the interests of their customers, not just their own organisation.
- Optional seat available to represent Self-suppliers.
- Representatives from MOSL, Defra, Ofwat, Environment Agency, CCW and Waterwise are highly valued as advisory WESG members. Their role is to:
 - Observe and provide advice on the development of the industry joint Action Plan;
 - Input thoughts and ideas intended to help with developing the above, but not provide policy steer or instructions;
 - Offer regulatory perspective that might help the WESG understand the implications, limits, or effects of its proposed actions or policies;
 - Work with the WESG to understand and comment on progress against the milestones and objectives; and
 - To provide evidence and support in development and delivery of the plan.
- General principle of one representative per organisation (although exceptions may be approved by the WESG).

Appendix 7 continued

RWG water efficiency steering group (WESG)

Meeting frequency

Meetings will be held once every two months as a minimum, but otherwise as required (as judged necessary by members, and ultimately by the Chair).

Members (as of 17/11/2020)

Name	Company / role
Voting members	
Holly Corns	Wholesaler rep & Chair
Aimee Shaw	Wholesaler rep
Andrew Tucker	Wholesaler rep
Lois Gill	Retailer rep
Richard Barton	Retailer rep
Ros Carey	Retailer rep
Barry Millar	Self-suppliers rep
Non-voting members	
Liz D’Arcy	MOSL
Shaun Kent	Ofwat
Liz Cairns	Environment Agency
Kruti Patel	Defra
Nathan Richardson	Waterwise
Ana Maria Millan	CCW

Decision making and Voting principles

- If a decision needs to be put to a vote, only wholesaler, retailer and self-supplier representatives will participate.
- A decision is defined as anything that constitutes changes to the plan, including approval of task and finish group outputs.
- All industry representatives (three retailers, three wholesaler plus optional one self-supplier) members must be included in decision making.
- At least five out of the seven retailer, wholesaler and self-supplier representatives must agree for a decision to carry.

Last updated: 28/01/21

