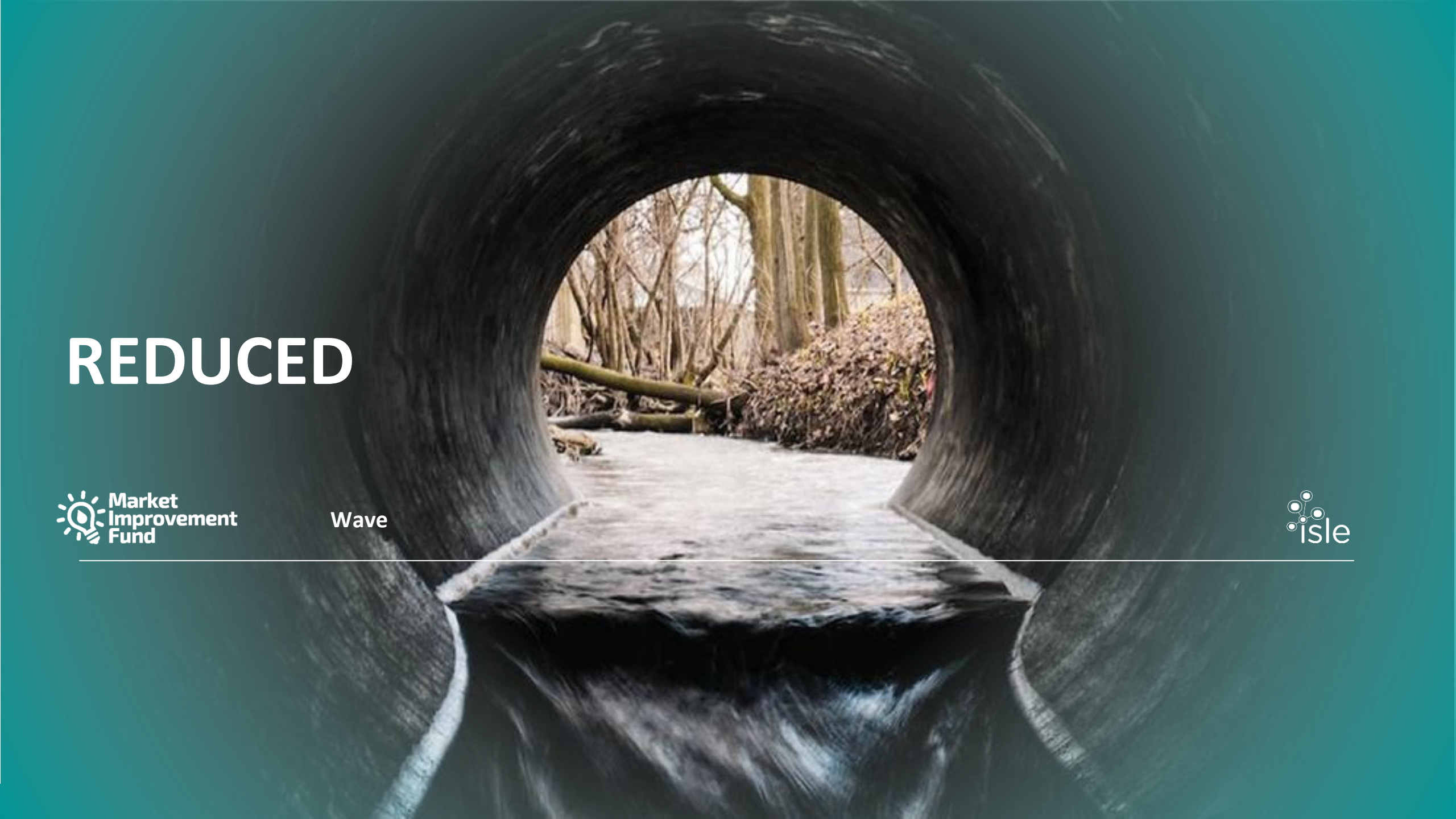
REDUCED



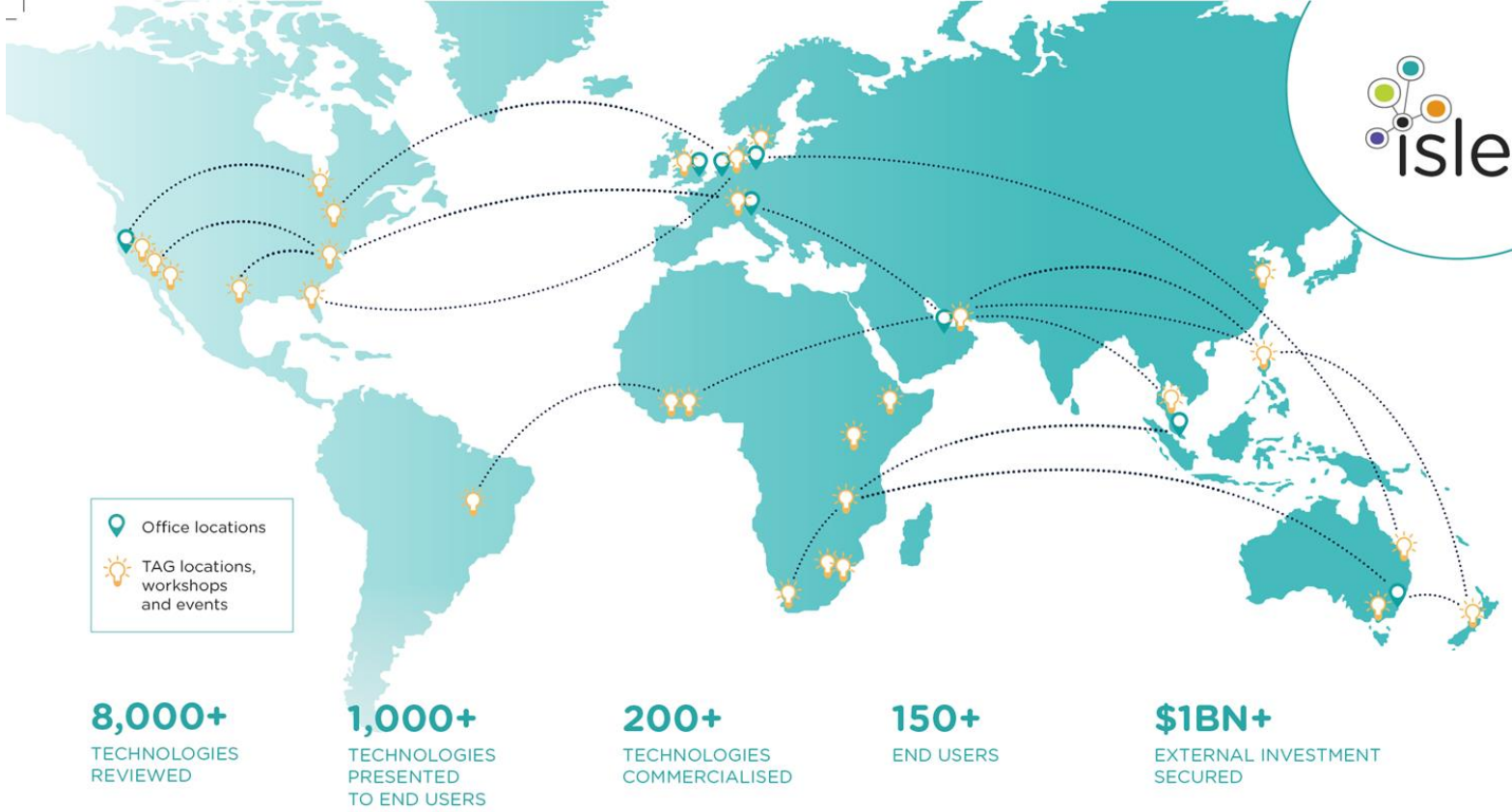
Market Improvement Fund

Wave

isle

CONTENTS

WE BRING TECHNOLOGIES TO LIFE



8,000+ TECHNOLOGIES REVIEWED

1,000+ TECHNOLOGIES PRESENTED TO END USERS

200+ TECHNOLOGIES COMMERCIALISED

150+ END USERS

$1BN+ EXTERNAL INVESTMENT SECURED

Identifying Challenges

We collaborate with the world's leading utilities and technology end users. After establishing their challenges, we find solutions through the independent sourcing of innovative technologies.

Connecting Technologies

We provide market intelligence to technology providers, enhancing the commercialisation process through increased dialogue and understanding of prospective clients' needs.

Collaborative Evaluation

Our innovation forums collaboratively review emerging technologies in a peer-to-peer environment increasing opportunities for knowledge transfer and shared resources to support the uptake of technology.

1.0
Project Background and Innovation Assessment

This section provides a comprehensive overview of the project's context and significance, detailing the foundational background that informs the initiative. It encompasses a project overview that outlines the key objectives, methodologies, and key features, ensuring clarity on the project's scope and relevance. Additionally, the innovation maturity assessment evaluates the current state of innovation within the project, identifying strengths, challenges, and potential pathways for further development. Together, these components illustrate the strategic framework that supports the project's goals and its alignment with broader innovation trends.

Background

Climate change is pushing retailers and their customers to adopt water efficiency measures, but managing water demand among business customers remains a challenge. Business customers account for about one-third of total water consumption, affecting retailers, wholesalers, the environment, and both business and domestic customers.

Retailers face significant challenges due to limited human resource capacity, as they must address the diverse needs of various customer types. Unlike wholesalers, retailers lack innovation departments or a Centre of Excellence, which hampers their ability to develop the expertise needed to address emerging challenges and foster competitive market activity.

Project Overview

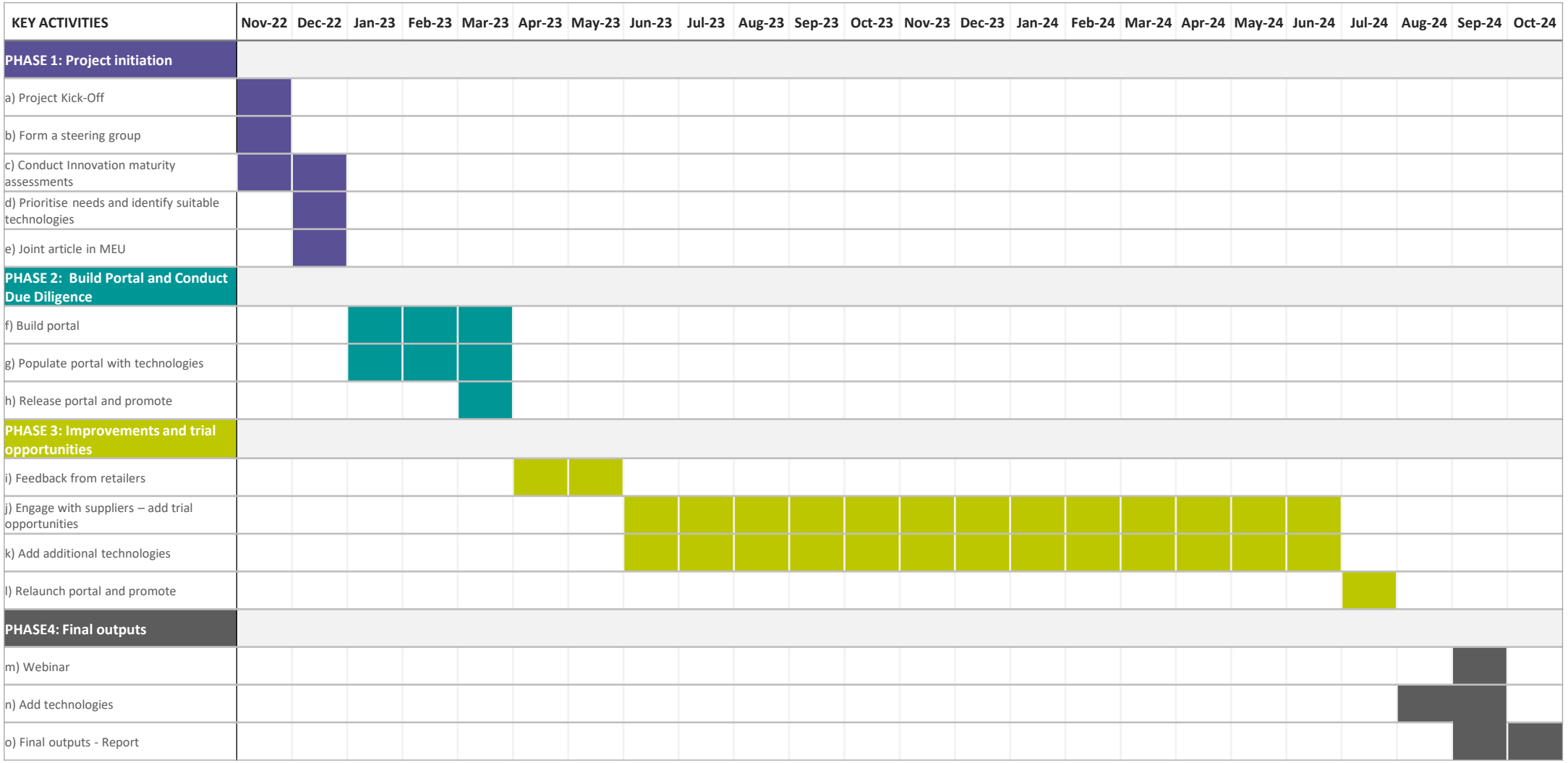
REDUCED (Raising Efforts to Drive User Consumption Efficaciously Down) project is an innovative initiative funded by the Market Improvement Fund to enable Retailers to better support their customers water efficiency efforts. The Market Improvement Fund was set up to fund innovative projects that will benefit the non-household water market and its customers. The fund is overseen by the Strategic Panel (including project selection, funding allocation and progress of work) and administered by MOSL. The project addresses the gap in water efficiency services offered by retailers, which currently rely on basic solutions such as automatic meter readers and rainwater harvesting systems. Retailers often lack the capacity to explore advanced technologies and compare options effectively. To bridge this gap, an independent online portal has been created, providing retailers with access to comprehensive, independently assessed information on various water efficiency technologies.

Key features of the portal include:

- Centralised Resource Hub: A one-stop shop for detailed technology information.
- Independently Assessed Technologies: Assurance of quality through rigorous evaluations.
- Comparative Analysis Tools: Enables side-by-side comparisons of technologies for informed decision-making.
- Fostering Engagement and Competition: Encourages market competition and innovation among retailers.
- Enhanced Confidence: Helps retailers feel more confident in their technology choices.
- Differentiation Strategies: Supports retailers in distinguishing themselves in the market through advanced solutions.
- Educational Resources: Provides knowledge and best practices for implementing water efficiency technologies.
- Implementation Support: Connects retailers with technology providers for assistance.

Overall, this project empowers retailers to enhance their water management practices, promote sustainability, and ultimately contribute to environmental conservation efforts.

Approach



Innovation Maturity Assessment

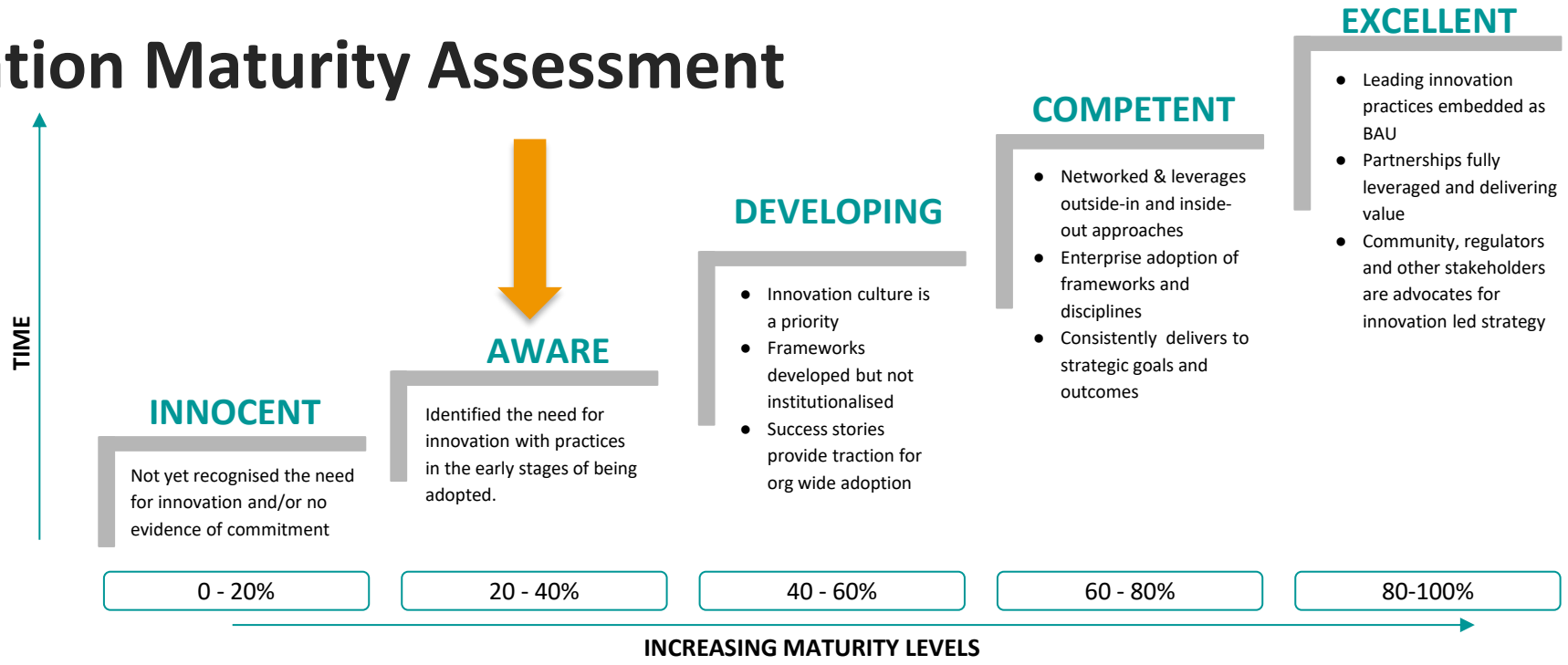
The innovation maturity assessment in the retailer water industry space evaluates the progress and capability of a retailer or organisation in adopting and implementing innovative water efficiency technologies and strategies. The assessment typically examines various dimensions such Customer focus, data and technology, system and processes, Governance and investment, people and culture and strategy and planning.

There are 5 stages of innovation maturity levels as follows:

- Innocent - Not yet recognised the need for innovation and/or no evidence of commitment
- Aware - Identified the need for innovation with practices in the early stages of being adopted.
- Developing - Although innovation culture is a priority and frameworks have been developed, they are not yet fully institutionalised, but success stories are helping drive organisation-wide adoption
- Competent - The organisation leverages a networked approach, combining outside-in and inside-out strategies, to drive enterprise-wide adoption of innovation frameworks and disciplines, consistently delivering on strategic goals and outcomes
- Excellent - Innovation practices are seamlessly integrated into business-as-usual operations, partnerships are maximised for value delivery, and key stakeholders, including the community and regulators, actively support and champion the innovation-driven strategy

Each maturity level outlines specific characteristics that help organisations identify their current stage and guide ongoing development toward a more advanced innovation culture.

Innovation Maturity Assessment



Retail Market – Innovation Maturity Level

Isle Utilities conducted a survey that included an innovation maturity assessment form sent to a number of retailers. Out of all the retailers, only one responded. Based on the responses received and levels of engagement, it is evident that the retail market is currently in the "**AWARE**" stage of innovation adoption. Retailers have recognised the need for innovation and are beginning to explore new practices and technologies, although these efforts are still in the early stages of implementation.

Many retailers are aware of the potential benefits of digital transformation, data-driven strategies, and customer-centric solutions, but they have not yet fully integrated these into their operations. This stage reflects a critical point where retailers are open to change and actively seeking ways to adapt; however, widespread adoption and optimisation of innovative practices have not fully materialised. This awareness provides a strong foundation for further growth and the eventual integration of cutting-edge strategies into their business models.

2.0
Water Efficiency Portal

This section highlights innovative technologies for retailers in the Non-Household (NHH) sector, including retrofit and industrial solutions. It provides insights into trial opportunities and outlines the benefits for both retailers and suppliers, promoting sustainable water management practices.

Water Efficiency Portal Overview

Isle Utilities developed, for the first time in the UK water retail sector a unique, free and easy to access online water efficiency technology portal. Acting as a single point of market entry for (relevant) emerging and established technologies, the portal provides access to independently selected solutions, enabling Retailers to present new technologies to business customers, with confidence.

The portal gives an overview of technologies and trial opportunities for adoption at different scales and contexts, from small businesses, to large-scale industrial water users.

Technologies

This section of the portal provides a directory of devices that address water efficiency. The technologies in the portal range from low Technology Readiness Level (TRL) that are in early stages of development to fully-scaled solutions. There are two types of technologies as follows:

- ***Industrial technologies*** –This page gives an overview of the industrial solutions available to the Retailers, including installation requirements, costs, accreditations, maintenance requirements and water efficiency claims.
- ***Retrofit technologies*** – This page gives an overview of the retrofit solutions available to the Retailers, including installation requirements, costs, accreditations, maintenance requirements and water efficiency claims.

The next two pages go on to describe the differences in the technology type in detail.

Trial opportunities

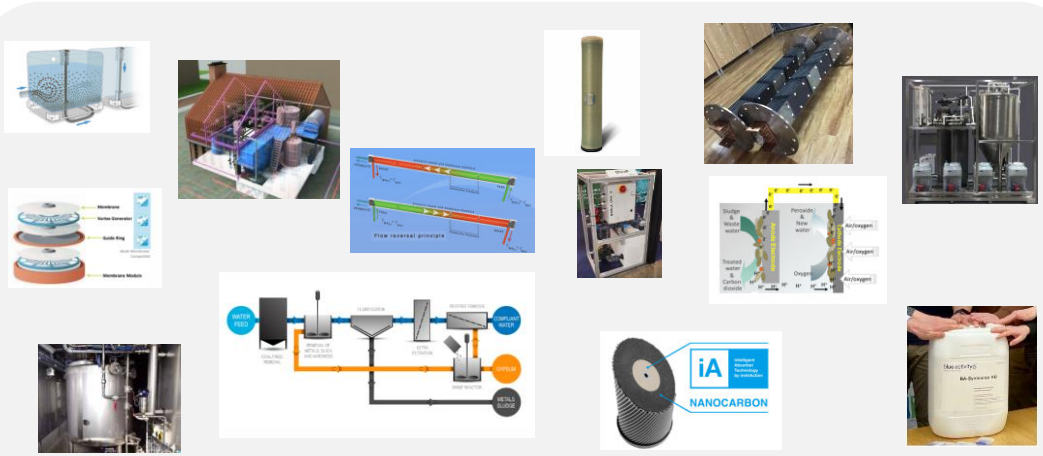
This is a current library that provides an overview of which technology providers are currently looking to conduct trials.

Industrial Technologies

Key goals and features of industrial water efficiency technologies include:

- **Reducing Water Usage**: Technologies aim to lower the amount of water needed for industrial processes, helping to conserve water resources.
- **Water Recycling and Reuse**: Advanced treatment technologies allow industries to reuse water multiple times within their processes, reducing the need for freshwater inputs.
- **Water Treatment and Purification**: These technologies treat wastewater so that it can be safely discharged or reused within the facility.
- **Heat recovery from waste waters to minimise cooling water losses** : Technologies often focus on reducing both water and energy consumption simultaneously, as these two resources are interconnected in many industrial operations.

EXAMPLES



TRL	5-9

Description:

Industrial water efficiency technologies refer to a range of innovations, systems, and processes designed to reduce water consumption and enhance the efficient use of water within industrial operations. These technologies help industries optimise their water usage, minimise waste, and recycle water, ultimately reducing the environmental impact and operational costs associated with water consumption.

Examples of these technologies include reverse osmosis, membrane filtration, advanced oxidation processes, smart water meters, and more efficient cooling and heating systems

Total - 37

Retrofit Technologies

These retrofits are often done to existing structures to meet water efficiency goals, comply with new regulations, or achieve environmental certifications.

Key goals and features of industrial water efficiency technologies include:

- **Water flow regulators -** Low-flow showerheads and faucets installed to reduce water flow while maintaining functionality. Attachments to faucets that mix air with water, reducing the flow while maintaining pressure.
- **Optimising water use -** Systems like drip irrigation or smart controllers that optimise water use in landscaping. Dual-flush or low-flow toilets that use less water per flush compared to traditional ones.
- **Water recycling and reuse -** Greywater recycling systems: Technologies that allow the reuse of wastewater from sinks and showers for irrigation or toilet flushing.
- **Leak Detection and Prevention**: Automated systems can detect and prevent water leaks, ensuring that water is not lost unnecessarily.

EXAMPLES

TRL	5-9

Description:
Retrofit water efficiency technologies refer to the installation or integration of water-saving devices, fixtures, or systems into existing buildings, equipment, or infrastructure to reduce water usage without requiring major changes or renovations. These technologies are added to improve water efficiency after the original design and construction, often as a cost-effective way to reduce water consumption, enhance sustainability, and lower utility bills.

Examples: Low-flow showerheads and faucets, Dual-flush or low-flow toilets, Aerators, Water-efficient irrigation system, Greywater recycling systems

Total - 93

Trial Opportunities with Retailers

The trial opportunities page offers a comprehensive overview of water-saving solutions, outlining the available technologies and how trial opportunities can be leveraged to explore their benefits. It provides a detailed summary of the features and advantages of the solutions being trialled, including the specific applications they address, their potential for improving water efficiency, and the environmental impact they offer. This enables organisations to better understand the innovation before committing to large-scale implementation.

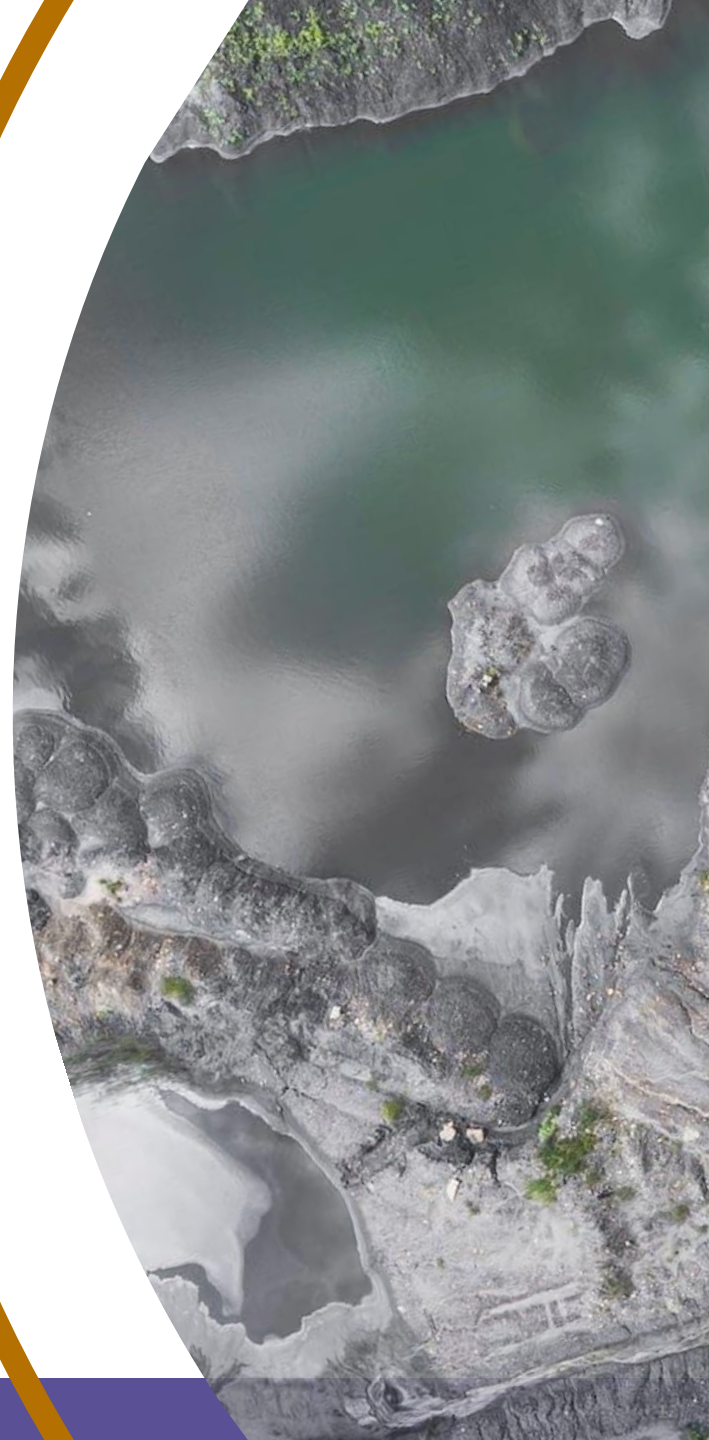
In addition to the solution overview, the page covers key logistical aspects of the trial process. It highlights the costs associated with participating in a trial, allowing users to understand the financial commitment required and how it compares to potential long-term savings. The page also specifies lead times for sourcing the technology, ensuring organisations can plan accordingly and incorporate the trial into their timelines.

Key Benefits of trial opportunities

- By offering these trial opportunities, organisations are able to make informed decisions about whether the water-saving technologies align with their operational goals and regulatory requirements.

- It helps them assess potential savings on water bills, environmental impact, and Return on Investment (ROI).

- Furthermore, trials reduce the risk of investing in untested solutions by providing a hands-on experience, facilitating wider adoption of these innovative water-saving technologies throughout the industry



Due Diligence and Assessment

The due diligence and assessment process for featuring innovative technologies on the Water Efficiency Portal was designed to ensure each solution met stringent criteria for effectiveness, reliability, and relevance to water efficiency goals. This comprehensive evaluation process provided retailers and non-household (NHH) customers with confidence in the technologies showcased on the portal.

1. **Initial Screening**: Technologies underwent a preliminary review to ensure they aligned with water efficiency objectives. Solutions needed to demonstrate clear potential in reducing water usage or improving water management, with non-aligned options filtered out early.

2. **Technical Evaluation**: Each solution was rigorously and independently assessed to confirm its effectiveness and reliability. Only technologies meeting the highest standards for water efficiency were considered for inclusion, providing retailers with proven and trusted options.

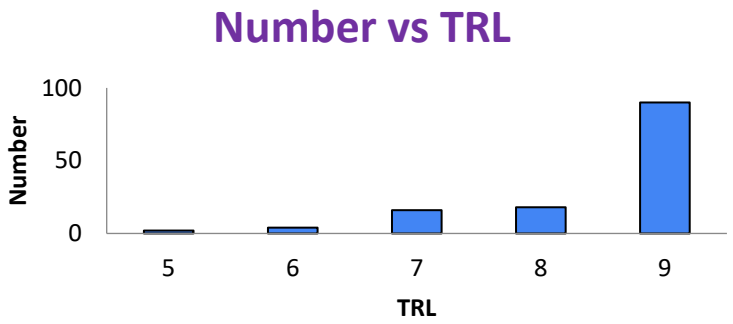
The table below provides an overview of the different levels of assessment.

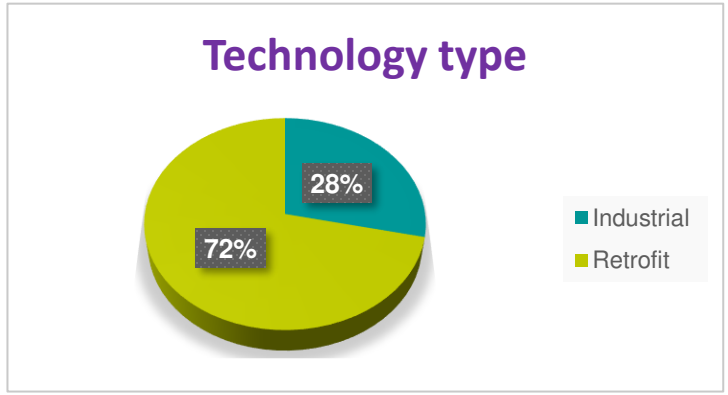
PHASE	STEP	ASSESSMENT
Phases	**a) Level 1**	• Technology assessment is based on online information only, with limited confirmation of operating principles, insufficient evidence of claimed benefits, and no financial details or costs provided. • Technologies are included in consultancy offerings without in-depth investigation.
	b) Level 2	• Assessment includes both online and supplementary information provided by the technology provider. • Operating principles and claimed benefits are validated, and the technology is self-sufficient or part of a larger business. • It may be longlisted for further review but needs more development before presentation.
	c) Level 3	• The technology undergoes a thorough assessment as part of the Technology Approval Group (TAG) process. • It has completed trials, proven its concept and benefits, and demonstrated self-sufficiency. • The technology is shortlisted to present to subject matter experts and has been fully evaluated by Isle.

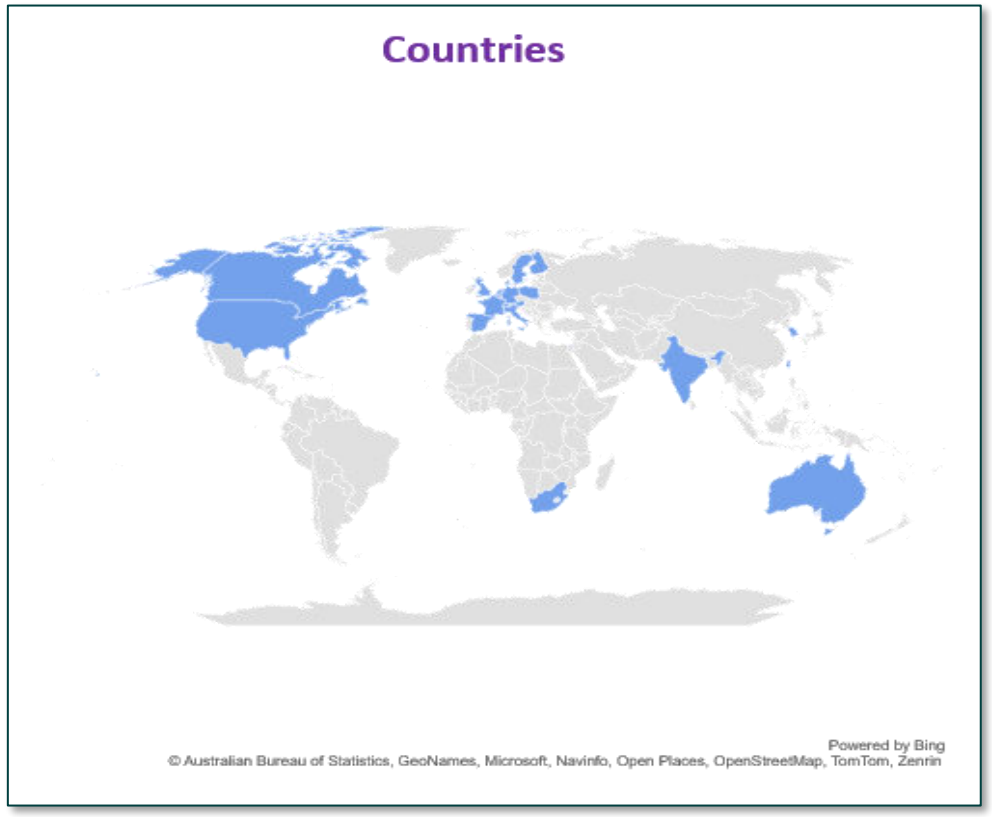
3. **Final Selection and Portal Integration:** After passing all assessments, the team worked closely with technology providers to gather additional information such as costs, case studies, water-saving claims, and trial opportunities. Once all relevant data was secured, the technology was selected for inclusion on the portal, ensuring transparency and thorough support for retailers.

Statistics

The graphs and statistics provide a clear overview of the Technology Readiness Levels (TRL) of the featured solutions, showcasing the varying stages of innovation maturity across the technologies. Additionally, the data highlights the diverse geographical distribution of tech companies, with solutions coming from multiple countries, reflecting the global nature of water efficiency innovation. The charts also break down the distribution of technology types.





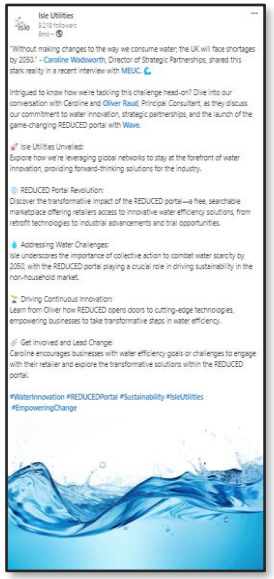


Communications and Outreach

Isle Utilities has utilised several channels to promote the Water Efficiency Portal, including blog posts and regular updates, as well as teaser content on Isle's social media platforms such as LinkedIn. The portal was also promoted at the MOSL CEO Forum on January 18th, 2024, and the MOSL User Forum on February 14th, 2024. Additionally, Isle collaborated with Wave to publish a joint article in the MEUC magazine. Lastly, Isle hosted a webinar on September 19th, 2024, which provided an overview of the portal and featured three cutting-edge water efficiency solutions.

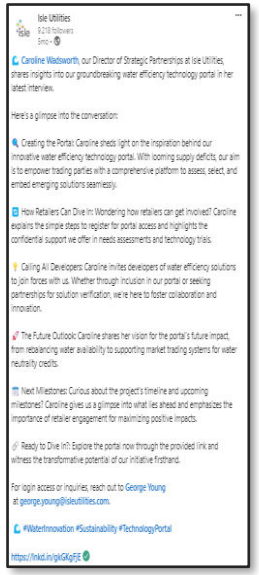
Joint article with Wave in MEUC magazine

LinkedIn Post



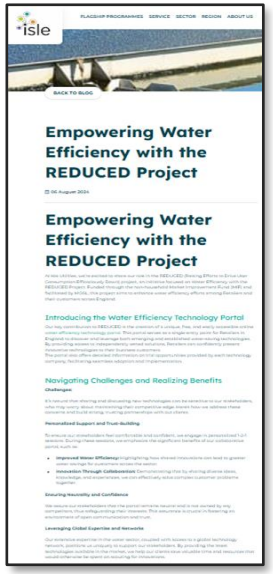
MOSL CEO Forum

LinkedIn Post



LinkedIn Post

Isle website Blog



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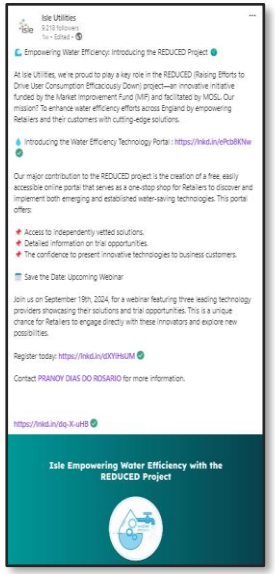
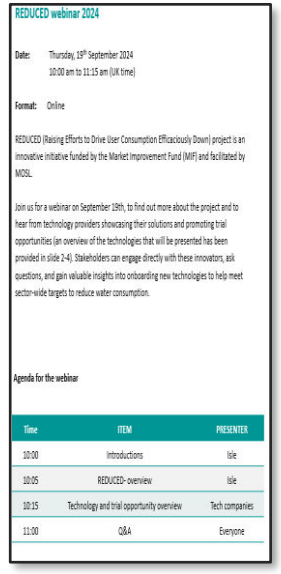


REDUCED-WEBINAR



Dec 2022 → Dec 2023 → Jan 2024 → Mar 2024 → June 2024 → July 2024 → Aug 2024 → Sept 2024

Benefits of the Portal to Retailers

BENEFITS

Centralised Information Hub

Retailers can access a comprehensive database of water efficiency technologies, solutions, and best practices all in one place, eliminating the need for time-consuming research. This centralisation streamlines decision-making, offering everything from product descriptions to case studies and performance reviews. The water efficiency portal also drives increased levels of innovation by creating a dynamic environment where retailers can easily access the latest water-saving technologies and strategies

Time and Cost Savings

By providing pre-vetted information on various technologies, the portal reduces the need for retailers to independently research or hire consultants. This saves time and resources, allowing them to focus on implementing solutions rather than searching for them. The due diligence process for each solution typically takes about 4 hours. With 130 technologies available on the portal, this equates to approximately 520 hours (around 69 working days) saved for the Retailers.

Access to Trial Opportunities

Retailers can explore trial opportunities directly through the portal, allowing them to test water-saving technologies in their own operations before committing to full-scale implementation. This helps minimise risk and ensures they are investing in solutions that deliver real benefits.

Reduction in bills.

The portal enables self-supply retail license holders and end users to cut water consumption by 20-30% through the adoption of more efficient technologies. By optimising water usage and management, users can also achieve 20-30% savings on their total water bills. This supports retailers and wholesalers in meeting their Per Capita Consumption (PCC) targets while enhancing customer satisfaction.

Networking and Collaboration

Retailers can connect with manufacturers, industry experts, and other businesses via the portal to share experiences, success stories, and challenges, fostering collaboration and knowledge-sharing within the sector.

Operational Cost Savings

The portal curates and regularly updates information on the latest water efficiency technologies, ensuring that retailers are exposed to emerging innovations as soon as they are available. Reduced water waste and optimised operations can lead to 5-10% reductions in operational costs, helping retailers boost profitability.

BENEFITS

Benefits of the Portal for Suppliers

Benefits

Increased Visibility
Being featured on the portal enhances the visibility of these tech companies among retailers, wholesalers, and end consumers who are interested in water efficiency solutions.

Increased Sales Opportunities
Showcasing products and solutions on the portal can lead to increased sales opportunities for suppliers by 10-15%. By connecting with decision-makers directly, the portal could shorten the sales cycle by 10-15%.

Feedback Mechanism
Being on the portal allows companies to receive direct feedback from users and stakeholders, which can be invaluable for product development and improvement

Time Savings in Marketing and Outreach
The portal provides a consolidated marketing channel, saving companies 5-10% in marketing outreach efforts.

Networking and Collaboration
Companies can network with other industry players, including retailers and wholesalers, which can lead to collaborative ventures or partnerships.

Wizso
Fizz, don't flush!

"The REDUCED portal will hopefully significantly increase visibility for Wizso, which is crucial as we are a startup bringing a new water-saving product to market. Ensuring our company is listed on the most suitable platforms is vital to our growth. REDUCED, with its focus on encouraging businesses to reduce water consumption through an easy-to-use platform, aligns perfectly with our mission. We believe it is an important tool to raise Wizso's profile in the industry. If further developed, the portal could become an even more attractive and convenient resource for businesses looking to save water. With its potential to become a central hub for water efficiency, REDUCED could play a key role in helping businesses adopt more sustainable practices."

"I'd just like to say that the portal is vitally important for companies such as ourselves because it allows us to connect with both large and small companies much easier than what has been available in the past.

Water leaks are very disruptive and expensive to businesses and to have a portal that they can access to have the option of using the latest innovations is invaluable to innovation companies and the businesses suffering leaks that can impact on day to day running"

QINOV8

Quensus

"A well-designed Water Efficiency Portal has the potential to be a valuable resource for tech companies operating in the water sector. It could help drive innovation, foster collaboration, and accelerate the adoption of water-saving technologies, ultimately benefiting both the industry and the environment."

"The REDUCED project has achieved its core objective of developing a portal that connects innovative new suppliers with retailers and business users. Saving time and effort, it levels the playing field between larger and smaller retailers when it comes to bringing innovative new technologies to their end customers. The Project's biggest challenge has been NHH market immaturity around innovation which has had a material impact on retailer engagement, however I believe this demonstrates the critical need for tools such as REDUCED if the market wants to get a grip on water efficiency."

wave

3.0
Learnings and Recommendations

This section synthesises key insights gained from the project and offers actionable recommendations to enhance water efficiency practices for retailers in the Non-Household sector.

Learnings and Insights

Market and end-users

	Insight	Description
1	**Lack of Awareness and Engagement in Water Efficiency**	• Many businesses and consumers are unaware of the potential cost savings and environmental benefits that can come from improved water efficiency. This low awareness translates into limited demand for water-saving technologies and services. Despite this awareness growing, there is still a huge amount to be done, to enable the paradigm shift required. • Retailers often focus more on pricing and billing services rather than promoting water efficiency, which leaves customers under informed about water-saving opportunities.
2	**Fragmented Responsibility and Lack of Incentives**	• The UK water market sees division that leads to conflicting priorities between wholesalers and retailers. Retailers fundamentally may have less incentive to push water efficiency measures, as savings reduce overall consumption and their revenues from water sales. • Wholesalers and retailers do not work closely enough on supporting scale-up of water efficiency technologies and as such opportunities for larger scale deployments jointly funded by the two sides of the market are not always seized.
3	**Regulatory Gaps**	• There are no strong, legally binding requirements for businesses to improve water efficiency, currently. While there are targets, they are often voluntary or not strictly enforced. The absence of these legal/regulatory requirements leaves the uptake of water efficiency solutions to the individual business and the business case and/or moral imperative to reduce their water consumption, which does not lead to the required savings. • Regulatory and other industry bodies seemingly focus on priorities such as competition and affordability, which leaves water efficiency measures as a lower priority, which in turn does not promote innovation as a key driver to increase water efficiency, as a key driver in the sector.

Learnings and Insights

Finance and Demand

	Inishght	Description
1	**Limited Financial Support for Investments**	• Businesses often face financial barriers to investing in water efficiency technologies, (from retrofitting buildings with efficient fixtures or installing larger water recycling systems). The return on investment (ROI) on larger or more complex solutions can be long-term, and many smaller companies are unwilling or unable to commit to the upfront costs without strong financial incentives. • Current financial incentives are often insufficient to overcome these barriers. The technologies presented in the portal could be further capitalised upon if there were funding opportunities that complemented the technology offering and lowered the barrier to entry.
2	**Data and Transparency Issues**	• Many businesses struggle to understand their water usage because of limited access to accurate and real-time consumption data. Smart metering, which could help customers track water use and identify inefficiencies, is not yet universally adopted across the UK market. • In the absence of wide adoption of AMRs or Smart Meters, Retailers may not provide detailed breakdowns of consumption or comparisons with industry benchmarks, making it harder for customers to see where improvements are needed. • These factors combined, water efficiency is not necessarily front of mind for business customers and therefore the portal is not necessarily a go-to destination to uncover technologies that could reduce water consumption.

Learnings and Insights

Retailer interest and competition

	Insight	Description
1	**Competition in the Water Retail Market**	• The relatively recent introduction of competition in the non-household water retail market (since 2017) was designed to improve services, but competition has largely focused on price rather than water efficiency and/or wider sustainability themes. This has meant that water efficiency has not become a key differentiator among retailers, as yet. More needs to be done here, in order that a product such as the REDUCED portal can play its intended role, as a repository of water efficiency solutions, that can help the NHH sector to reduce its water consumption in line with sector targets and planetary boundaries. • Competition is fierce and margins are tight in the sector. As such there is a distinct lack of collaboration and cooperation, leading to initiatives that focus on sector-wide benefit and widespread impact perhaps not receiving the support and buy-in they need, in order to reach a scale where there is significant positive change being seen in Business-As-Usual practice.
2	**Legacy Approaches**	• Retailers often have their own methods or channels for discovering innovative solutions that align with their goals and address the challenges they encounter. As a result, there was limited initial engagement, with many viewing the process as an unnecessary burden and added administrative task. Some even commented, "that's what Google is for," perhaps overlooking the value of a more tailored approach to onboarding innovative water efficiency solutions.
3	**Trial Period**	• The development of the water efficiency portal, faced several challenges that hindered its full potential. Given the complexity of engaging retailers, it took significantly longer than anticipated to onboard them, which delayed the building and widespread adoption of the portal. This resulted in a limited trial period that did not allow enough time for the portal to gain the necessary traction among stakeholders, limiting its effectiveness in delivering water-saving technologies to NHH customers. Retailers, critical to the portal's success, required more time to understand its value and to integrate it into their operational processes, further slowing progress.

Learnings and Insights

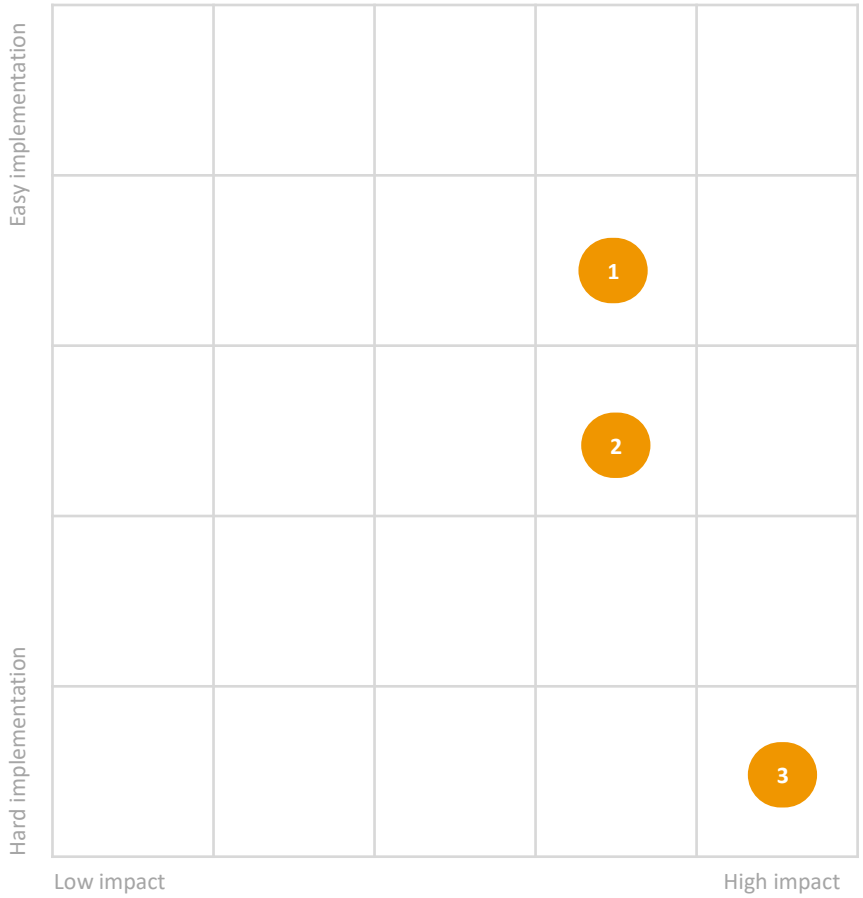
Project and Partnerships

	Insight	Description
1	**Project Sponsorship and MIF Experience**	• Despite the very positive support from Wave (project sponsors) throughout the REDUCED project, we encountered some hesitance from retailers in engaging with the initiative. Even those involved in the Steering Group initially perceived the project as primarily a Wave endeavour, rather than a broader sector-wide initiative funded by the Market Improvement Fund (MIF). • It took some time to foster a deeper understanding that this project was designed to benefit the entire sector, rather than focusing solely on the individual project sponsor. • As a new participant in the water retail sector—despite having nearly 15 years of experience in the global wholesale water sector—Isle Utilities faced a fair amount of scepticism regarding our motivations and intentions. Offering a free service to the sector, seemingly in collaboration with Wave, led to some initial uncertainty among retailers. • It required patience and time for these concerns to dissipate and for retailers to become more comfortable engaging with both Isle Utilities and the project itself. • Having been part of the consortium that delivers a similar program for the wholesale sector through the Ofwat Innovation Fund, we have observed that there are opportunities for enhancing the participant journey within MIF-funded projects. Here are some areas where we believe improved service provision could make a significant difference: ➢ **Contracting and Onboarding:** There was limited emphasis on contractual arrangements at the outset, which caused some confusion during project implementation. Clearly defined deliverables, outcomes, and timeframes are essential for a smoother process. ➢ **Monitoring and Guidance:** The lack of ongoing monitoring and support meant that we sometimes missed out on capitalising on certain opportunities. Having more guidance throughout the project could help participants navigate challenges and seize opportunities more effectively. We are deeply committed to continuous knowledge sharing and collaboration within the sector. We would be more than happy to provide further details to MOSL regarding our experiences and insights, particularly those learned from our involvement with similar initiatives if there is interest in pursuing this.

Recommendations

Market and end-users

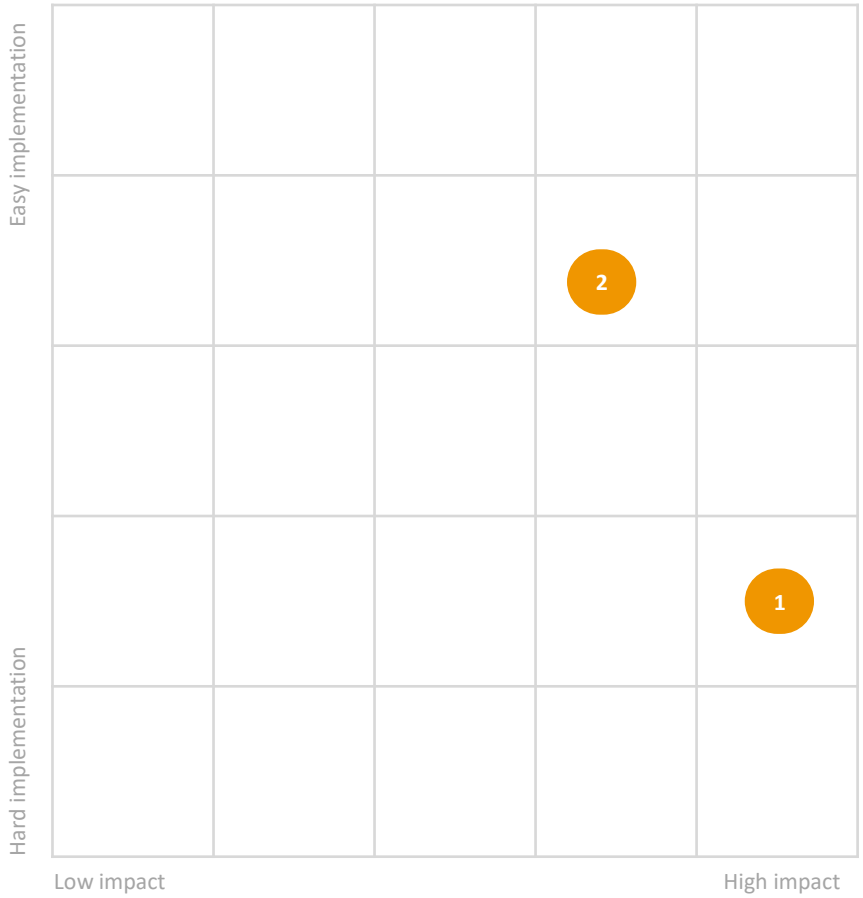
Number	Description
1	**Educational Campaigns for Consumers and Businesses** Leverage Media Channels: Use social media, email marketing, and partnerships with environmental groups to highlight the financial and environmental benefits of water efficiency. **Workshops and Webinars** Conduct virtual or in-person workshops to educate both consumers and businesses on water-saving technologies, how to reduce water consumption, and how these actions translate into savings. **Interactive Tools and Calculators** Provide online tools where businesses and consumers can calculate their potential savings from water-efficient products or practices.
2	**Innovation hubs** Establish innovation hubs or partnerships that bring together wholesalers, retailers, tech companies, and research institutions. These partnerships could be focused on developing and scaling up new water-efficient technologies or approaches, with shared financial risks and rewards. **Establish Common Water Efficiency Goals** Create a shared framework of water efficiency goals that both wholesalers and retailers are accountable for. These could include specific targets around reduced water usage, adoption of water-saving technologies, and customer engagement metrics. **Integrated Water Management Platforms** Create shared data platforms where wholesalers and retailers can access and analyse water usage patterns across regions and sectors. By working together with real-time data, they can more effectively target inefficiencies and propose solutions that benefit both sides
3	**Legally Binding Water Efficiency Standards and targets** Introduce legally binding water efficiency standards and targets for businesses that will be enforced by penalties for non-compliance, ensuring businesses are accountable for their water consumption. **Water Efficiency Task Force** Establish a task force specifically focused on water efficiency that will collaborate with businesses, government agencies, and technology providers to identify and implement best practices and set higher standards.



Recommendations

Finance and Demand

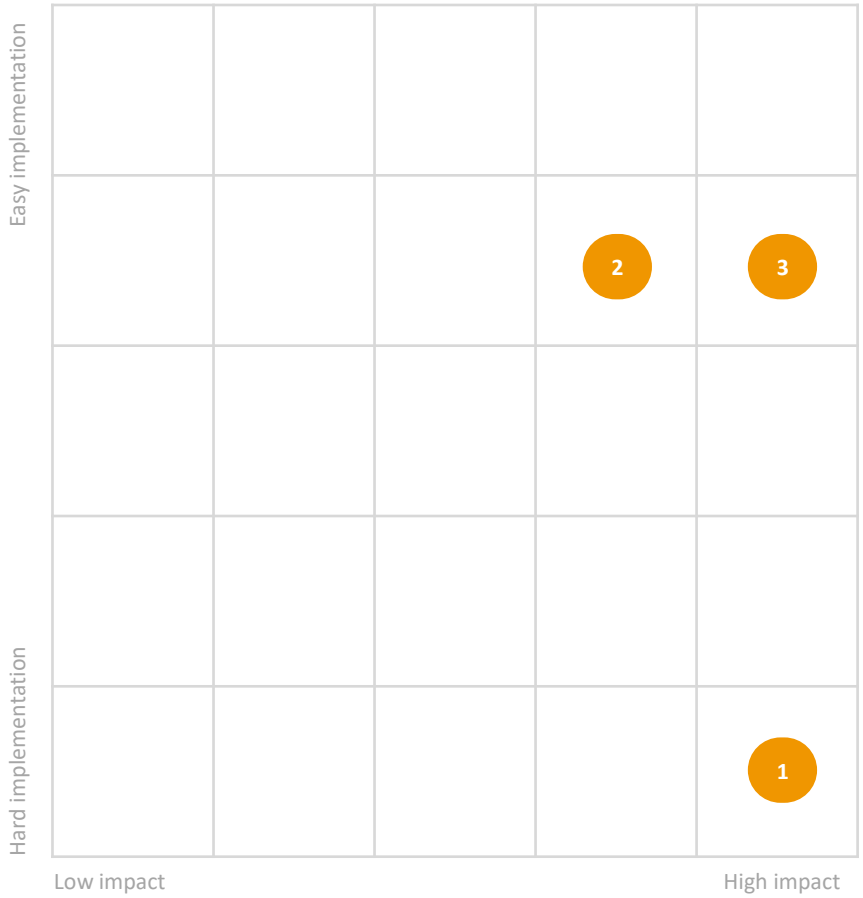
Number	Description
1	**Market Improvement Fund (MIF)** The MIF can play a key role in supporting both retailers and end consumers by partly funding some of the trials in their efforts to improve water usage, reduce wastage, and enhance sustainability. **Wholesaler funding** Wholesalers could create a dedicated fund specifically for supporting water efficiency trials. This fund would be allocated to retailers and end users to pilot innovative water-saving technologies and practices **Ofwat Innovation Fund** In addition to the continuation and expansion of the Innovation Fund, our final methodology for the 2024 price review stated that "PR24 will introduce a fund of up to £100 million to help stimulate a transformative, sustained and measurable reduction in water demand nationally, using a range of water efficiency approaches". In a consultation which ran from 14 May to 25 June 2024 we set out a proposed approach for a Water Efficiency Fund (WEF) which included two main streams. The first is a large behaviour change campaign, the Water Efficiency Campaign (WEC). This would allocate up to £75m over 5 years to a coordinated, high profile and expertly run campaign covering England and Wales. The WEC would raise awareness of the need to use less water as well as the benefits this can bring, seek opportunities to change behaviour and give people the capability to change. The second aspect of the WEF would make £25m available over five years for annual competitions. Known as the Water Efficiency Lab (WEL), it would be like Ofwat's Innovation Fund but focused solely on water efficiency. It would address challenge statements scoped by industry experts which are also refreshed periodically.
2	**Run Targeted Campaigns and Webinars** Recommendation: Host targeted marketing campaigns, webinars, or workshops that educate businesses about the importance of water efficiency and how to reduce consumption without needing smart meters. These events could showcase successful case studies, offer practical advice, and guide businesses on using the portal effectively **Highlight the Cost-Saving Potential of Water Efficiency** Recommendation: Many businesses are not prioritising water efficiency because they may not fully understand the financial benefits. The portal could create case studies and calculators that highlight how much money businesses could save by implementing water-efficient technologies or practices, even after adopting smart meters.



Recommendations

Retailer interest and competition

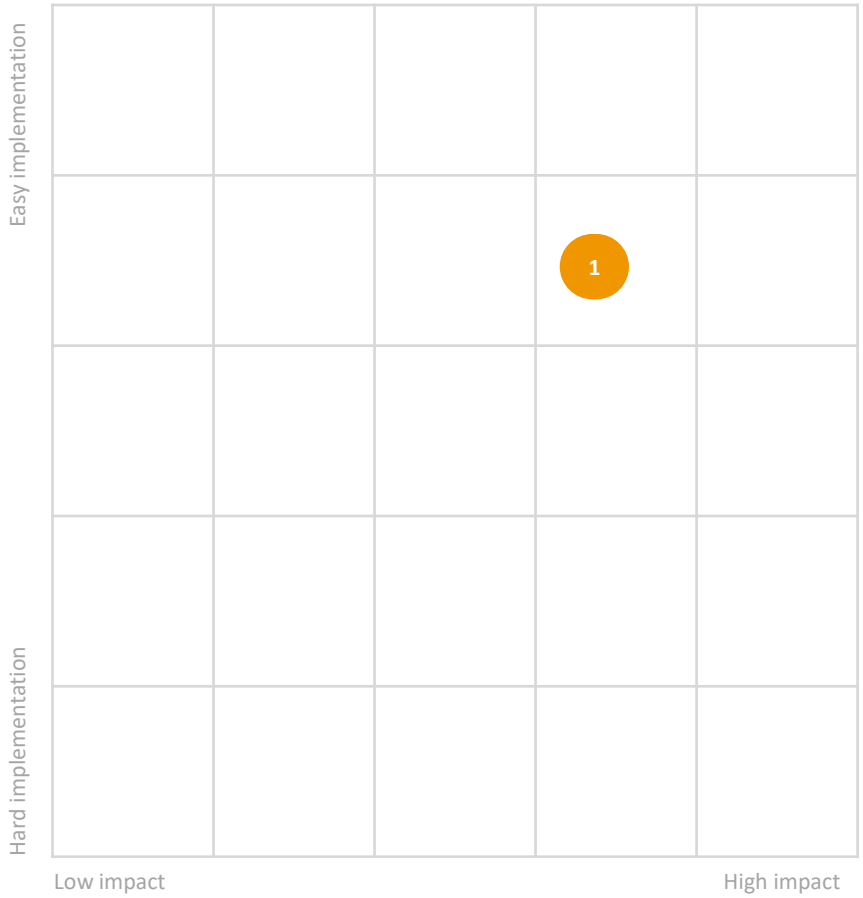
Number	Description
1	**Promote and Facilitate Data Sharing Among Retailers and Wholesalers** Create a central database where retailers can share information on the performance of water-saving technologies and best practices. Platforms like REDUCED could be integrated into this system, acting as a hub for innovation and helping retailers access up-to-date solutions for their customers. **Create Shared Savings Models** Develop financial models where both wholesalers and retailers share the benefits from water savings. For example, establish revenue-sharing agreements where retailers earn bonuses or commissions based on the water savings achieved by their customers, thereby aligning incentives for efficiency. By developing shared savings models and leveraging platforms like REDUCED, the water industry can create a win-win scenario for wholesalers, retailers, and consumers alike. These collaborative efforts can drive significant water savings, foster innovation, and contribute to a more sustainable future for water resources.
2	**Workshops** Host additional workshops to highlight that the portal offers vetted, specialised, and industry-specific information that cannot be easily found through a generic Google search. Retailers need to see that the portal delivers more tailored and trustworthy insights than public search engines. **Access to Industry Experts**: Emphasise that the portal gives access to expert knowledge and guidance from leaders in the water efficiency space. Offer consultations or webinars with industry specialists that retailers can't access via Google. **Innovation Partnerships**: Demonstrate that by engaging with the portal, retailers can connect with technology providers, fostering partnerships that could lead to new business opportunities, collaborative projects, or industry recognition.
3	**Extended Trial Period** It is recommended that the water efficiency portal remains open for an extended period. A longer operational window would provide retailers with the opportunity to fully engage with the platform and encourage greater adoption by NHH customers, ultimately driving higher levels of water efficiency in the market. Additionally, it is advised that the funding for the portal should be incorporated into MOSL's operating budget, with contributions from all market participants. This approach would not only secure the long-term sustainability of the portal but also ensure that all stakeholders are invested in its success, aligning with the broader goals of enhancing water efficiency across the sector



Recommendations

Project and Partnerships

Number	Description
1	**Establish Standardised Contracts** Develop a standardised contracting process for MIF-funded projects. This should clearly define roles, responsibilities, deliverables, timelines, and expected outcomes from the start, ensuring that all participants are on the same page. **Designate a Centralised Project Management Office (PMO)** Set up a PMO for MIF-funded projects to provide continuous oversight and support throughout the project lifecycle. The PMO would be responsible for tracking progress and escalating issues. **Sector-Wide Roadshows or Webinars** Host webinars or roadshows involving all key stakeholders to provide project updates, showcase benefits, and reinforce the sector-wide goals. Ensure these forums offer retailers the opportunity to ask questions and share concern. **Knowledge Sharing** We recommend fostering a culture of continuous knowledge sharing within our organisation. We are more than willing to collaborate and share further insights with MOSL on this topic if there is mutual interest. This exchange can enhance our collective understanding and improve our approaches moving forward. By fostering collaboration and open communication, we can enhance our collective expertise and drive innovation.



This report was produced by **Isle Utilities** for the **Market Improvement Fund**