

## **Water Saving Group (WSG)**

**Room 806 Nobel House, 17 Smith Square, London**

**19 November 2007**

### **Attendees**

Phil Woolas (Chair)	Defra
Martin Hurst	
Richard Wood	
Justin Johnson	
Nieves Bottomley	
Robert Grant	
Julie Dickason	
Andrew Wells	Communities and Local Government (CLG)
Yve Buckland	Consumer Council for Water (CCWater)
Tony Smith	
Karen Gibbs	
Barbara Young	Environment Agency (EA)
Ian Barker	
Philip Fletcher	Ofwat
Jonathan Hodgkin	
Pamela Taylor	Water UK
Richard Aylard	Thames Water
Paul Butler	South East Water
Jacob Tompkins	Waterwise
Nicci Russell	

### **Minutes**

#### **1. Welcome - Phil Woolas**

Phil Woolas welcomed attendees to the fifth meeting of the Water Saving Group (WSG). The meeting marked two years since the Group's establishment. The life of the Group had been extended for another year, until autumn 2008. Attendees supported the extension of the Group and emphasised the importance of continuing to drive concerted action on water efficiency.

## **2. Minutes from last meeting**

The minutes of the meeting held on 17 May were agreed.

## **3. Progress on action plan**

### **3.1 Workstreams 1 and 5: Identifying areas of water stress and taking forward targeted action for increasing metering in water stressed areas.**

In light of the publication in August of the EA's methodology for the identification of water stressed areas alongside Defra's decision to allow companies in areas of serious water stress the option of introducing compulsory metering, Phil Woolas explained there would not be updates on either of these workstreams as they were now considered to be complete. Defra were still in the process of finalising the Direction to companies on metering and hoped to be in a position to issue it shortly.

### **3.2 Workstream 4: Understanding and changing customer perceptions and raising awareness.**

Yve Buckland provided an update on CCWater's activities in this work stream. Following the last WSG meeting CCWater hosted a workshop involving all the water company communication managers. It had achieved broad agreement and support for the development of a more consistent approach to communicating the need to save water. Attendees at the workshop had agreed a list of preferred messages to be put into market research.

CCWater and Defra had jointly funded the research which looked at how the different messages were received and the impact they might have on consumer behaviour. Nine focus groups with customers had already taken place, with the last focus group taking place later in November. The indicative headline findings had reinforced some of the findings of CCWater's Using Water Wisely research, including customers' lack of understanding of the need to save water. The most popular messages were 'save water, save money' and 'water: don't let it cost the earth'.

CCWater's proposed next steps were to build on WSG members existing networks to build a broad stakeholder alliance, the members of which would all be encouraged to adopt the core messages, and adapt them to suit their individual needs. The messages would be delivered in a variety of formats but would be consistent in nature. CCWater proposed that Waterwise were best placed to take forward the coordination of messages in the longer term, with continued close collaboration with CCWater and other WSG members. Views were invited on the proposed way forward.

Attendees welcomed progress made and supported the idea of building a broad alliance of stakeholders to use these messages. Attendees also supported the proposal for Waterwise to take this work forward in the longer term. It was agreed that in order to have an impact on consumer behaviour,

Government and others should continue to take every opportunity to ensure that messages on the need to value water were included alongside other aspects of environmental behaviour change. It was particularly important to highlight the potential energy savings associated with saving water, as hot water use accounted for between 30-50% of household energy bills.

### **3.3 Workstream 5: Promotion of water efficiency in new buildings and developments**

Andrew Wells presented a progress update on this workstream. CLG and Defra had published a joint policy statement in July, which set out the steps they would be taking to improve the water efficiency in new homes. In the statement CLG had committed to amending the Building Regulations to set a whole building performance standard for new homes of 125 l/p/d. Separately CLG had announced a review of Part G of the Building Regulations to determine whether changes were necessary to improve the safety of hot water systems. As a result the decision had been taken to review the whole of Part G (including water efficiency) as one package. The new Approved Document for the Building Regulations would be published in October 2008, with the new requirements taking effect from April 2009. CLG had established a working group to steer and advise on the changes needed to the Approved Document. Defra and the Environment Agency were both members of the Group, which would meet for the first time in early December.

Attendees welcomed progress made on new homes, however some raised concerns as to whether the 125 l/p/d standard was ambitious enough, given that some house builders were already committing to go beyond this and build to Code Level 3 standard (105 l/p/d) and about the need to ensure the changes came into effect as soon as it was feasible. Attendees looked forward to seeing the outcome of the review of the Water Supply (Water Fittings) Regulations, which Defra had committed to reviewing in 2008, and further work on existing homes.

### **3.4 Workstream 3: Development of incentives to companies for improving the promotion of water efficiency: infrastructure charges**

Philip Fletcher outlined progress on this workstream. Ofwat were currently consulting on a revenue corrected price cap as part of their methodology paper for the next Price Review (PR09). In August Ofwat had also introduced voluntary water efficiency targets on water companies, based on the amount of water delivered. The target varied according to an individual company's water stress classification. These voluntary targets would be used to inform the development of a mandatory water efficiency target for PR09. In light of these factors Ofwat's view on infrastructure charges was that water companies should be free to judge the most cost effective means of promoting water efficiency and that incentive payments or discounted infrastructure charges should not become a specific requirement.

Attendees were content with Ofwat's recommendation and the paper was agreed.

### **3.5 Workstream 5: Pursuing options for the introduction of a product labelling scheme**

Nieves Bottomley gave an update on Defra's work on product labelling. A key development in this workstream had been the launch earlier this year by the Bathroom Manufacturers Association (BMA) of a voluntary labelling scheme for water efficient bathroom products.

In parallel with this, Defra had undertaken several projects to develop the evidence base. This included a quantitative research project on 'Consumer attitudes to water efficiency of bathroom fittings' through a questionnaire placed in the Office for National Statistics March survey. The findings of this research were consistent with CCWater's 'Using Water Wisely' research and showed that water efficiency was one of several factors customers take into consideration when choosing a bathroom fitting, with price and appearance being the main considerations.

Defra had also commissioned Waterwise to produce a report on the correlation between the energy and water efficiency performance of dishwashers, washing machines and washer driers. The report would examine whether the correlation was sufficient to ensure that all A-rated energy efficient products were also water efficient and, if not, whether a water efficiency label is needed and the costs and benefits of the different options. Analysis so far indicated that, although A-rated products were more water efficient than B or C rated products, there was a wide range of water consumption between the products in the same class of energy efficiency, with several models in different energy efficiency categories using similar amounts of water. Further work was required on the statistical analysis of washer dryers and on the costs and benefits of the different label options. A final report was expected by the end of the year.

**Action: Defra to circulate the final draft Waterwise report to WSG members when available.**

In parallel with this work, the European Commission communication on water scarcity and drought published in July suggested exploring the possibility of expanding existing EU labelling schemes to promote water efficient devices and water-friendly products. Views were sought on Defra's proposal not to include this workstream in the revised action plan, as any further progress was likely to take place in the European Union.

Attendees welcomed the progress made in this workstream. Points raised in discussion included: the potential timescales for changes to current EU labelling schemes; the ambition of the BMA voluntary labelling scheme; the possibility of pursuing a VAT reduction for water efficient products and the need to work with retailers to ensure that customers have water consumption

information available at the point of sale, including through promotion of the BMA scheme. It was agreed that the labelling work stream would be included in the revised action plan.

### **3.6 Workstream 2: Information needs: gaps, priorities and funding**

Jacob Tompkins reported progress on this workstream. There were now around twenty large scale water efficiency projects feeding into the Evidence Base. Since the last WSG meeting, an Evidence Base Steering Group had been formed and had met for the first time on 2 October. The Steering Group agreed to the establishment of two sub-groups with expertise on economics and accounting respectively to address specific technical issues.

In light of the extremely tight timescale, the Steering Group had agreed to bring forward the timetable for the Evidence Base reports. Waterwise would produce a full working version of the Evidence Base in March 2008, in time for companies to use in their draft PR09 business plans, and a next significant version in time for companies to use in their final PR09 business plans and final Water Resource Management Plans.

Attendees welcomed progress on this workstream. It was agreed that CCWater would become a member of the Evidence Base Steering Group.

### **3.7 Workstream 3: Best practice in water company promotion of water efficiency: identifying it and applying it: good practice register**

Jonathan Hodgkin gave an oral progress update on this workstream. Ofwat had published their good practice register of water efficiency projects for use by companies in November 2006 and had updated it recently with the information contained in the companies' June returns. The register would be updated on a regular basis. Ofwat had also placed a water meter savings calculator on their website to highlight the potential savings that some customers could achieve if they opted for a meter. This tool would be given more prominence once Ofwat's website had been fully updated.

### **3.8 Workstream 1: Measuring success - Targets and benchmarks**

Ian Barker reported on progress made in this workstream. The London School of Economics and ICF (LSE/ICF) had now produced its final report 'Measuring success of demand management interventions'. The report, together with a position note from Water UK, were the subject of discussion at a workshop on 5 November. At the workshop a consensus was reached amongst WSG members to develop a water efficiency obligation, which would form part of a broader goal by all WSG members to reduce the current level of per capita consumption in households. It was anticipated the timetable for developing a water efficiency obligation would mirror the timetable for developing an alternative form of leakage target. Views were sought on the proposed way forward.

Attendees very much welcomed the fact that a consensus had been reached by all members of the Group and were content for work to be taken forward to develop the detail of a water efficiency obligation in time for PR09. The importance of working collaboratively in taking this work forward was emphasised. Ofwat made clear they would be focusing on out-put, rather than activity based targets and that a mandatory target would not be introduced without further consultation – although they were committed to mandatory water efficiency targets for PR09.

#### **4. Revised Terms of Reference**

Nieves Bottomley introduced the revised Terms of Reference for the Group. They had been updated to reinforce the message that all WSG members shared an overarching goal to encourage the efficient use of water in households to which all members of the Group contribute. They had also been updated to include a reference to the new work stream on reviewing the measures on the industrial and commercial sector and to remove any out of date references.

The revised terms of reference were agreed subject to the aim of the Group being amended to read: 'The aim of the Group is to reduce the current level of per capita consumption in households'.

#### **5. Revised Action Plan**

Nieves Bottomley introduced the revised WSG action plan for approval. The action plan had been updated to remove any completed workstreams and to update work that was ongoing. New work included: the development of standards for rainwater harvesting, grey water and raw water reuse; work to monitor progress and uptake of measures already adopted; the development of proposals for standards for key fittings and a new work stream to review the measures currently in place to promote water efficiency in the industrial and commercial sector.

It had been agreed earlier in the meeting that labelling would be added to the revised action plan. It was also agreed to undertake some form of gap analysis, which would take an overview of all the actions the WSG has taken so far and would identify gaps and potential further work to maintain the momentum the WSG had achieved.

#### **6. Communications**

Phil Woolas explained that Defra planned to issue a press release to mark the two year anniversary of the Group,

**Action: Defra to circulate draft press release to WSG members for comments.**

## **7. Any other business**

There were no items raised under any other business.

**Department for the Environment Food and Rural Affairs, May 2008**