



# Consultation on measures to reduce personal water use

A Defra consultation paper

## Consultation on measures to reduce personal water use

### Introduction

1. The Consumer Council for Water is the statutory consumer organisation representing water and sewerage consumers in England and Wales. The Consumer Council for Water has four regional committees in England and a committee for Wales.
2. We welcome the opportunity to respond to this consultation looking at different options to help household customers reduce water use.

### Executive Summary

#### Building regulations

3. The current approach needs to be tightened, especially in water stressed areas, given the increasing challenges to the resilience of water resources.
4. It would be sensible if building regulations were consistent in England and Wales. But, we acknowledge that it is too soon to see what has been achieved in Wales (in terms of water efficiency) with the recent changes to building regulations.
5. Changes to building regulations will only be effective in new housing stock. As a result, partnership working between a range of stakeholders should be considered to address water efficiency in existing homes. It would be beneficial if these programmes addressed 'sustainability in the round' by including energy efficiency and affordability checks and advice in addition to water efficiency.

#### Water efficiency labelling

6. We strongly agree that information on water efficiency should be displayed on water using products. This can empower customers to make decisions that can help to reduce their personal water use.

#### Metering

7. CCWater supports the view that metering is the fairest way to charge for water and sewerage services.
8. Despite the benefits of metering, there are issues that need to be considered further:
  - Adequate support and protection for customers whose bills are likely to increase as a result of metering (i.e. larger households living in houses with lower rateable value),
  - Although trends seem to show that metered customers use less water than unmetered customers, evidence suggests that increased metering does not always result in lower water use.
  - There is a sizeable minority of customers who oppose to having a meter, either due to financial reasons or because they do not want a meter installed.
9. From a consumer point of view, giving customers a choice thereby increasing the number of meter optants is the best way to increase the number of metered households. However, we

accept that in areas of serious water stress universal metering programmes may be the appropriate approach.

10. Universal metering is not a 'silver bullet' to address water scarcity as it does not overcome the need to invest in further water resources in seriously water stressed areas. Targeted metering, as part of a wider strategy that considers other policy options such as the ones in this consultation, can help to address the pressure on available water resources.

### Incentives

11. We strongly support water companies using a variety of ways to engage with and encourage customers to use less water. To increase the success of these initiatives, it is important that companies know their customers to understand what works for different types/segments of customers.
12. We would also expect companies, as part of this process, to measure the impact and success of trials before a wider roll-out.

### Rain water harvesting (RWH) and grey water re-use

13. RWH can play a role in reducing the amount of water used by consumers. We don't think that grey water re-use or rainwater harvesting schemes have to be built and/or managed by water companies. There can be other interested parties (such as New Appointments and Variations - NAVs) that can take these schemes forward.
14. Government could consider incentives for developers and homeowners to increase the uptake of these schemes, both in new builds and in existing homes. There will be different factors to consider when deciding what system to use and at what scale, i.e. installation/operation costs, ease of use, energy use and associated carbon, maintenance and acceptability.

### Supply pipe leakage

15. We agree that addressing supply pipe leakage can contribute towards reducing overall leakage. However, proposals to change ownership of supply pipes should be tested for customer acceptability as changes can have impacts on customers' bills and service levels. Changes should be acceptable and affordable for customers.

### Communications and behaviour change

16. There are a number of barriers and opportunities to changing behaviours and reduce personal water use. To identify and address the needs of different customers, it is important that companies continue to identify and segment their customers in order to understand their behaviours and motivations.
17. Water companies should be the key organisations to communicate with customers about how to reduce their water use. We want companies to engage continuously with their customers (not only at times of crisis) and water efficiency should be part of this. There is a role for

other trusted parties too, such as CCWater. We do this and will continue to do so. Encouraging people to think about their water use is a shared responsibility.

18. Messaging should focus on the 'bigger picture' - why we need to save water before telling customers how to do so.

#### Other issues that need to be considered

19. Although the consultation focuses on reducing 'personal water use', increasing water efficiency for non-household (NHH) customers is something that needs to be considered as a priority.
20. Our research indicates that water efficiency activity is linked to business size: larger businesses (by employee numbers) are more likely to have done something to improve their water efficiency. More generally, only 28% of businesses are currently taking action to save water.
21. More needs to be done to help NHH customers (especially micro, small, and medium businesses) reduce their water use. Some water use can be likened to domestic water use, and as such, many of the policy options suggested in the consultation could apply in this sector too.

#### **Building Regulations for water consumption**

**Question 1 - Do you consider the current approach in Building Regulations (i.e. a mandatory minimum standard for new homes but with local authorities in water stressed areas having discretion to ask for a higher standard through a Building Regulations Optional Requirement) is effective?**

**Question 2 - Do you consider that the current minimum standard of 125 litres/person/day and optional requirement of 110 litres per person per day should be changed, and if so what might an appropriate new standard?**

22. We think that the current approach in Building Regulations needs to be tightened, especially in water stressed areas. It is only sensible that these areas aim for higher, more efficient standards, as long as these do not impact on customers' quality of life, given the increasing challenges to the resilience of water resources.
23. There appears to be growing evidence that tighter Building Regulations are needed over the longer term. It is important that to ensure a consistent approach, the adoption of new/modified standards should not be left to the discretion of councils alone. Having said that, CCWater's latest resilience report<sup>1</sup> shows that, despite having minimum building standards for water efficiency, average water use has been increasing in recent years. We acknowledge that increased water use does not differentiate between new and old housing stock.
24. The discretionary, tighter (building) standard of 110 litres per person per day is something that should be pursued, also bearing in mind that saving water is not the only driver of water efficiency. As mentioned in the consultation document, water efficiency could also

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<sup>1</sup> CCWater (2019) Water, water everywhere? <https://www.cewater.org.uk/blog/2019/09/13/watchdog-calls-for-more-urgency-in-tackling-water-supply-disruption-and-leakage/>

have a positive effect on reducing energy bills, water bills of metered customers and carbon emissions.

25. In 2018, Welsh Government amended building regulations so that new builds are built to a standard of 110 litres/person/day<sup>2</sup>. Although it is too soon to tell how effective this change has been in Wales, it would seem sensible if regulations were consistent in England and Wales.

**Question 3 - Are there any other issues relevant to using Building Regulations to set water efficiency standards that the government should consider?**

26. Anecdotal evidence suggests that sometimes, residents replace water efficient fittings and fixtures after they move into their new home as the more efficient versions do not provide the experience or effect desired. This seems to particularly relate to showerheads, baths and basins. It is therefore important that the residents of these new homes are informed about the wider benefits of the (water efficient) fittings and fixtures built into the property. Encouraging manufacturers to improve the design and performance of water efficient appliances is therefore also important.

**Question 4 - To what extent do you agree or disagree that Government should work with water companies and local authorities to run partnership retrofit and behaviour change programmes in existing homes?**

27. We strongly agree. As acknowledged in the consultation, changes to Building Regulations will only have an effect on new builds. As a result, there is a need to address water efficiency in existing housing stock.
28. Partnership work between a range of stakeholders including Government, water companies, local authorities, landlords and housing associations could have a positive impact as it allows costs to be shared according to what is being delivered. There are further benefits if these programmes can also be linked to other initiatives for 'sustainability in the round', such as energy efficiency, fuel poverty and water affordability. Getting one person through the door to give advice on a series of issues can be cost-effective and less disruptive than having people from different organisations to address similar and/or related issues.
29. The Energy Saving Trust<sup>3</sup> estimated that hot water use at home contributes £228 to the average annual combined energy bill (£1,285/year at the time the report was published) and emits 875kg of CO<sub>2</sub> per household per year. This important saving should not be ignored. There is also evidence from an EU-funded, project between the Energy Saving Trust and Waterwise<sup>4</sup> supporting the benefits that can be achieved (for customers) when combining water and energy efficiency advice as part of an integrated approach. This is also a cost-effective delivery method.

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<sup>2</sup> <http://www.legislation.gov.uk/wsi/2018/552/regulation/3/made>

<sup>3</sup> Energy Saving Trust (2013) At Home with Water

[https://www.energysavingtrust.org.uk/sites/default/files/reports/AtHomewithWater\(7\).pdf](https://www.energysavingtrust.org.uk/sites/default/files/reports/AtHomewithWater(7).pdf)

<sup>4</sup> EU Life project. 2011.

[http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.showFile&rep=file&il=LIFE07\\_INF\\_UK\\_00932\\_LAYMAN.pdf](http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=home.showFile&rep=file&il=LIFE07_INF_UK_00932_LAYMAN.pdf)

30. A recent, collaborative partnership project<sup>5</sup> between CCWater, Southern Water, Brighton and Hove City Council and the University of Sussex, which set out to establish the relationship between water efficiency and affordability confirmed the benefits of this type of approach. Participants were given water efficiency advice and information by a qualified engineer who also installed water efficiency gadgets<sup>6</sup>. It is expected that these gadgets can reduce water use by about 20%, which means £88 off an average annual bill of £420. Customers taking part in this project also received a ‘water tariff check’ to ensure they were on the most appropriate water tariff for their circumstances.
31. This experience shows that this type of partnerships can result in positive outcomes for all parties involved<sup>7</sup>. It is important that the lessons learned are used to expand the evidence base to ensure the success of similar projects undertaken by others.

## **Water Efficiency Labelling**

### **Question 5 - To what extent do you agree or disagree that information on water efficiency should be displayed on water using products?**

32. We strongly agree that information on water efficiency should be displayed on water using products. This can empower customers to make decisions that can have a positive effect towards reducing their personal water use.
33. Although Installing water efficient products can help, it is important that people understand how these work, and what is the most efficient way to use them. For example, there is evidence to suggest that people may not use a dual flush toilet correctly (they press the ‘wrong’ button) losing the water saving effect in the process.
34. Displaying water efficiency information could be a catalyst for innovation for product development (increasing the range and types of water efficient products available) and improving the customer experience, leading to a wider use of water saving products. In future people should not be able to tell the difference between a water saving product and one that isn’t, in terms of functionality/experience.

### **Question 6 - To what extent do you agree or disagree that providing information about products’ water efficiency changes people’s purchasing behaviour and reduces their use of water?**

35. We agree that providing information could change purchasing behaviour, if it is done as part of a concerted, broader programme. The water efficiency information about the products must be accompanied/supported with information explaining why it is important to save water (i.e. the wider environmental benefits and increasing the resilience of water supplies), and why it matters if (more) people choose these products.
36. Also, understanding who the potential buyers are, can help to target the products to different customer segments. Those customers who are more ‘able and willing’ to save

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<sup>5</sup> Press release (July 2017): <https://www.southernwater.co.uk/latest-news/thousands-of-brighton-homes-to-get-free-water-saving-gadgets>

<sup>6</sup> These included: tap aerators, shower heads and toilet dual flush converters.

<sup>7</sup> Report due to be published in November 2019.

water may be more easily persuaded to change their behaviour. Early adopters will help to drive innovation and growth in the market. In any case, water saving/efficient products need to be something that consumers find it easy to understand and engage with.

37. Innovative products need to be accessible, not only from an economic point of view, but also in terms of being easy to understand and operate. The life cycle of the product also needs to be considered, to avoid creating additional waste or to prevent it from becoming obsolete after a short period of time. Instructions need to be clear on how to get the best, most efficient performance in order to help them to use less water.
38. Eventually, it could be the case that the performance and popularity/demand for water efficient products will make them more 'mainstream' as people opt for them.

**Question 7 - To what extent do you agree or disagree that water efficiency labels should be linked to building standards and minimum standards?**

39. Having adequate labelling (and water efficient products) will make it easier for developers to choose the right products to meet the (minimum) building standards.
40. It makes sense to have different policies that complement each other working towards the same outcome to reduce personal water use.

**Question 8 - How else could government or water companies encourage people to use more water efficient devices/appliances at home?**

41. Government should provide leadership in this area, given the significant implications of the supply-demand balance gap. Actions could include (but not limited to):
  - incentives to continue to encourage people to use more water efficient devices/appliances at home. For example, subsidies/rebates to exchange water inefficient goods for water efficient ones - similar to the boiler scrappage scheme,
  - co-ordinated messaging campaigns to help inform consumers about the 'big picture' - why water efficiency is important and to highlight what people could do in practical terms to reduce their water use.
42. Some water companies already encourage their customers to reduce their water use through community-based incentives, such as those trialled by Southern Water and Thames Water.
43. Also, some water companies also help their customers with free home water visits - where a qualified engineer carries out a 'water audit' to help people understand their water use and how to reduce it. These visits often include installing water saving gadgets, such as tap aerators and hippo bags and fixing leaking toilets.
44. The latter is an issue highlighted by water companies and others in recent months. It is estimated that about 5%-8% of toilets leak<sup>8</sup>, resulting in between 215 and 400 litres of clean drinking water every day (on average) being wasted. According to water companies' estimates, fixing leaking toilets can be an 'easy fix' to save water: doing so can contribute to 10% of the additional water capacity needed to cope with an extreme drought by 2050. We would like to see more activity from and help for water companies to continue their work to fix leaky loos.

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<sup>8</sup> Waterwise: <https://www.waterwise.org.uk/toilet-tuesday/>

## Metering

### Question 9 - To what extent do you agree or disagree that people should pay for water according for how much they use?

45. Our research<sup>9</sup> indicates that the majority of customers think metering is the fairest billing option. However, many unmetered customers have concerns about metering in general and about not knowing how much water they use, and therefore the impact a meter would have on their bills, and the effect of any leaks (i.e. supply pipe or plumbing losses).
46. One of the conclusions of the independent review of charging for household water and sewerage services (Walker review)<sup>10</sup> suggests that charging by volume of water used (i.e. metering) is the most effective way to incentivise efficient water use. The report also acknowledges that meters incur additional costs (for companies, and some customers).
47. In addition to fairer charging, metering can also bring some benefits:
- People pay for what they use,
  - Metering can be an incentive to use water more efficiently, reducing costs, energy use (both at home and by companies) and carbon emissions. In doing so it also helps to increase the resilience of water supplies and potentially delay investment in additional resources,
  - The information collected by meters can help to find (and fix) internal leaks, helping to reduce overall leakage as a result,
  - Water companies and their customers could get more detailed information about their water use which helps companies better manage their water supplies and to plan for the future.
48. However, according to our research,<sup>11</sup> of those customers who would not consider switching to a meter: 31% thought they would end up paying more, 17% had not thought about switching and 14% did not want a meter.
49. Widespread (compulsory) metering can result in some households paying more for their water and wastewater services. Although water companies offer (financial) protection for some vulnerable customers, there are households who would not qualify for help through the Watersure scheme or their company's social tariff. These are likely to be larger households living in homes with a comparatively low rateable value (RV).
50. When customers opt to have a meter installed, companies offer a 'switch back' guarantee - customers can switch back to the RV charges (up to 24 months after having the meter installed, depending on the company) if they are not happy with the change. At present, United Utilities is trialling the 'price guarantee' scheme as an additional measure to address affordability. If the company is confident that the customer will reduce their bill after

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<sup>9</sup> CCWater (2007) CCWater charging research. <https://www.cewater.org.uk/wp-content/uploads/2013/12/Quantitative-Charging-Research-2007-CCWater-Ofwat.pdf>

<sup>10</sup> (2011) The independent review of charging for household water and sewerage services (Walker review). Report commissioned by Defra and Welsh Government. <https://www.gov.uk/government/publications/the-independent-review-of-charging-for-household-water-and-sewerage-services-walker-review>

<sup>11</sup> . CCWater (2007) CCWater charging research <https://www.cewater.org.uk/wp-content/uploads/2013/12/Quantitative-Charging-Research-2007-CCWater-Ofwat.pdf>

opting for a meter, but the customer is reluctant to switch for fears of the bill being higher, United Utilities will guarantee the customer will not pay more than their unmeasured bill.

51. According to our recent report *Water Water Everywhere?*<sup>12</sup>, in 2018-19, just over 55% of households are metered. Trends show that metered customers tend to use less water than unmetered customers: 133 litres/person/day and 167 litres/person/day respectively. The difference can partly be explained by the fact that many of those on a meter are low water-using customers that have opted to have a meter installed because they will make a financial saving by simply switching to metered charges.
52. Although metering has been increasing in recent years, evidence does not suggest it always results in reduced water use. As an example, South East Water has a high metering penetration- (89.3%) but also customers with high average water use (152 litres/person/day). Furthermore, companies with lower metering numbers are amongst companies with lowest average water use, including: Hartlepool (42.5% metered customers, 130 litres/person/day), Severn Trent (46% metered customers, 131 litres/person/day) and South Staffs (39% metered customers, 134 litres/person/day).
53. The figure below illustrates that the relationship between (household) meter penetration and lower pcc is not very clear.

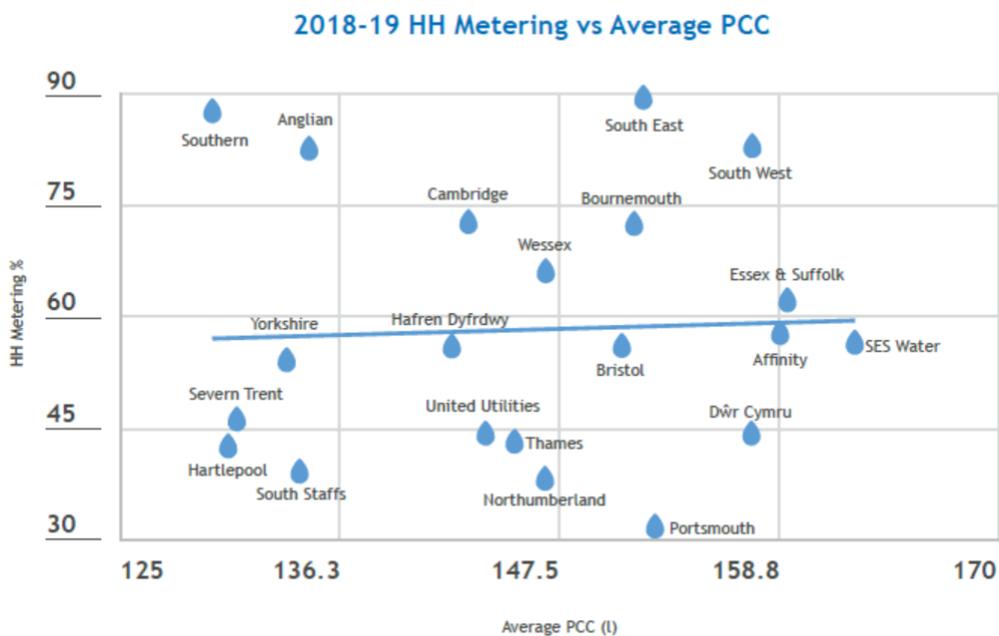


Figure 1 - Household metering vs. average pcc 2018-19<sup>13</sup>

**Question 10 - To what extent do you agree or disagree that the amount of households charged by metered volume should be increased beyond and/or faster than what is already planned by water companies?**

<sup>12</sup> CCWater (2019) *Water, water everywhere?* <https://www.cewater.org.uk/wp-content/uploads/2019/09/Water-water-everywhere-delivering-resilient-water-and-waste-water-services-2018-19.pdf>

<sup>13</sup> CCWater (2019) *Water, water everywhere?* Report. <https://www.cewater.org.uk/blog/2019/09/13/watchdog-calls-for-more-urgency-in-tackling-water-supply-disruption-and-leakage/>

54. CCWater supports the view that metering is the fairest basis for charging for water and sewerage services and should be the long term aim, with near universal metering in water stressed areas by 2030. It is for individual water companies to make the case for metering using a full cost benefit analysis, whether this relates to optional, selective or compulsory metering and also in determining the type of meter to be used. Proposals need to reflect local circumstances.
55. In its recent report, the National Infrastructure Commission<sup>14</sup> concluded that, in order to achieve long-term resilience of water supplies, 34% of the necessary activity to balance supply and demand should come from demand management. And that, if water companies were to be able to increase the rate of metering from current forecasts (80% metered households by 2050) this could bring a reduction of 400 ML/day in demand by 2050.
56. Increased metering can result in some customers paying significantly more for their services- usually larger households with children as they tend to use more water. It is essential that appropriate safeguards are in place before any significant increases to the number of metered customers to ensure that low income customers are protected and their water and sewerage services remain affordable. Having said that, the issues with metering are not always about bill impacts - some customers do not want to have a meter installed.
57. The availability of appropriate safeguards is also one of the recommendations of the 'Walker Review' - the timescale to meter all suitable properties would need to consider the on the costs of the metering programme and finding adequate solutions to the affordability issues that may result.
58. The current safeguards for customers who might find changes to bills difficult to manage as a result of metering (as mentioned in the consultation document) do not take into account changes in the approach to metering i.e. allowing compulsory metering programmes beyond areas of serious water stress. This is something that needs to be considered, as there may be more customers that will need more (financial) support and advice if there was a more rapid, widespread move to metered charges.

**Question 11 - If you agree that the amount of households charged by metered volume should be increased, what do you think would be the best or most appropriate approach? Do you have suggestions for increasing metering other than what is mentioned above?**

59. From a consumer point of view, giving customers a choice and increasing the number of meter optants is the best way to increase the number of metered households. Customers who are optants choose to be billed by a meter and have made that decision themselves, which is in contrast to consumers who are compulsory metered. Our research<sup>15</sup> suggests that removing that choice (to be metered) through compulsory metering can have a negative impact on consumer sentiment towards their water company. Ideally, it would be better for consumers to come to the conclusion themselves to move to a meter. However, we accept that in areas of serious water stress, universal metering programmes may be the appropriate approach. It is worthwhile pointing out that there will be a sizeable minority of customers

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<sup>14</sup> National Infrastructure Commission (2018) Preparing for a Drier Future. <https://www.nic.org.uk/wp-content/uploads/NIC-Preparing-for-a-Drier-Future-26-April-2018.pdf>

<sup>15</sup> CCWater (2019) Water Matters <https://www.cewater.org.uk/wp-content/uploads/2019/07/Water-Matters-FINAL-data-report.pdf>

who will oppose to have a meter installed, either due to financial reasons or because they simply don't want a meter.

60. To date, proposals to rapidly increase metering have reflected companies' individual circumstances and local pressures - namely they operate in an area of serious water stress. There are benefits of looking at this issue through Water Resources Management Plans (WRMPs) and related consultation processes as they allow a range of options to be considered and consulted on.
61. If there was to be a change in government or regulatory policy in this area, it will be important to provide clear direction to the water companies and clear communication to customers. Importantly, as previously stated, appropriate protection and support would also be needed for customers - particularly those who may see bills increase as a result of moving to a meter.
62. We would emphasise that universal metering is not a 'silver bullet' to address water scarcity as it does not overcome the need to invest in further water resources in seriously water stressed areas. Targeted metering can, however, be part of a wider strategy that considers other policy options to reduce water use, including: behaviour change, active leakage control, water re-use, water labelling, grey water recycling and water resource development. Together, these will be required to address the pressure on available water resources from climate change, population growth and the need to address unsustainable abstractions.

**Question 12 - Are there any other issues we need to consider with regards to increasing metering?**

63. Programmes that seek to increase metering should be undertaken on a suitably phased basis as this will spread the costs and allow the programme to be managed and monitored to determine whether it is achieving a reduction in demand.
64. One of the issues that would need to be addressed with increased metering is supply pipe leakage. This is one of the concerns expressed by customers. We appreciate this is one of the issues being consulted on, and look forward to the recommendations/conclusions deriving from this consultation.
65. Increased metering is not only about putting the water meter in the ground. Much more is about engaging with customers before, during and after metering takes place. For example, customers who do not have a choice need to understand why they are being metered, what the benefits might be and how these might be achieved (i.e. water saving advice), what practical and financial support is available, and where to go if things don't go as planned.
66. Companies embarking on metering programmes can also experience increased number of customer contacts as part of this process and afterwards due to the variability of customer bills. Companies should anticipate this increased contact and address complaints and enquiries promptly. Doing so could have reputational benefits and a positive score on the upcoming C-Mex measure of customer satisfaction.

## Smart metering

### Question 13 - To what extent do you support or oppose use of smart water meters instead of manual meters?

67. We broadly agree that the widespread use of smart meters can help companies gather information about their systems (and the way customers use water) and this could help optimise their networks. Having said that, companies should focus (and agree) on what data is needed, how it will be gathered and how it will be used.
68. Water companies need to create confidence amongst customers and reassure them that their data is 'safe'. There can be concerns about people being able to 'see' when a house is empty and creating opportunities for burglaries (similar concerns to those expressed about data management and smart meters in the energy sector).
69. The targeting of smart meters and in-home displays makes most sense when it is directed at customers who could use them and the data they generate. It will be important to determine which customers want to receive (and use) information about their water use on their phone and other electronic devices. This is something that may not be appealing or useful to all types of customer.
70. The use of smart meters by water companies is at an early stage and the expected benefits have not been fully realised yet. There are also lessons to be learned from the roll-out of smart meters in the energy sector, for example:
  - Controversial introduction, shifting programme deadlines and increasing costs for widespread installation,
  - Questions around the technology they use and related issues preventing customers from switching supplier and accessing better deals,
  - Loss of public confidence in the programme, and
  - Lack of customer engagement with the 'in home display' to encourage people to use less energy.
71. We would like to see better evidence from the water sector and lessons learned from the energy sector before smart meters become the norm in the water sector.

## Incentives

### Question 14 - To what extent do you support or oppose use of incentives to encourage customers to use less water?

### Question 15 - What incentives could water companies use to reduce customer use of water?

72. We strongly support water companies using a variety of ways to engage with and encourage customers to use less water. To increase the rate of success of these initiatives, it is important that companies know their customers so that they can understand what works for different types of customer. Segmentation can be helpful with this.
73. We support companies trialling different types of incentives to encourage customers to use water wisely. It is worth mentioning that incentives are not just financial, there wider incentives for people wanting to do the right thing for the environment. However,

regardless of the type of incentive used, we would expect companies to measure the impact and success of these trials before they are rolled out as wider programmes.

## **Rain Water Harvesting (RWH) and water reuse**

**Question 16 - To what extent do you support or oppose the use of RWH and grey water reuse schemes at individual level?**

**Question 17 - To what extent do you support or oppose the use of RWH and GWR schemes at community scale?**

74. We support initiatives that can help make better use of available water and reduce the pressure of relying on mains' supply, for activities that may not require water treated to drinking standards.
75. There are different factors to take into account when deciding on what system to use, and at what scale - such as installation/operation costs, ease of use, energy use and associated carbon, maintenance and acceptability.
76. When considering RWH and GWR systems, it is also important to have clear governance in place to assign roles and responsibilities for the maintenance and operation of the schemes.

**Question 18 - How can government or water companies most effectively encourage people to reuse water in their homes?**

77. We don't think that water re-use and/or rain water harvesting schemes should only have to be built by the water companies. There can be other interested parties, such as New Appointments and Variations (NAVs) that, given the right conditions, can take these schemes forward. This is certainly an area where innovation can play a key role to reduce the amount of mains water used.
78. Furthermore, Government could consider incentives for developers and homeowners to increase the uptake of water re-use/rain water harvesting schemes. Interested parties can be encouraged with clear messaging, information and advice about the potential options available as well as the risks involved in using treated, but not potable water.
79. As mentioned in the document, the messages need to be framed around the importance of using less water and the wider benefits this could help to achieve (i.e. increased resilience, protecting the environment, etc.).
80. A study<sup>16</sup> to evaluate changes in attitudes to water re-use schemes suggests that information can help to increase acceptability, but that impacts could be limited to specific groups. Furthermore, that the information needs to be 'framed' in the right way. In this particular study, the message tested was about water safety. The responses were more positive if the message was framed around compliance with quality requirements rather than if the message was tested in terms of the technologies available to treat water.

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<sup>16</sup> D. Goodwin a, M. Raffin b, P. Jeffrey a, H.M. Smith (2018). Informing public attitudes to non-potable water reuse - The impact of message framing. Journal of Water Research. Volume 145.  
<https://www.sciencedirect.com/science/article/pii/S0043135418306274?via%3Dihub>

## Supply pipe leakage

**Question 19 - Do you have any evidence/views/comments on the potential impacts on water bills for various customers and geographical regions should the management of supply pipes be transferred to water companies?**

81. We don't have evidence of the potential impacts on water bills should responsibility for supply pipes be transferred to water companies. We acknowledge that any changes to current supply pipe ownership/responsibility could have an impact on companies' costs, and therefore on customers' bills. We would need to understand the potential scale of increases to customers' bills if companies are unwilling to absorb these costs through efficiencies elsewhere or through their reserves.
82. In 2017 we carried out joint research<sup>17</sup> with Welsh Government and water companies in Wales to understand customers' views on the transfer of supply pipes from customers to water companies. The key findings of this report include:
- People don't always understand their responsibilities with regards to supply pipe ownership,
  - Support for pipe ownership transfer was about 80% once people were made aware of the wider implications,
  - When customers were presented with three options for the transfer of supply pipes, the most popular option was the transfer of pipes up to the internal stop tap<sup>18</sup>. About 50% of customers preferred this option.
  - Households were willing to pay around £9 and non-households 3.6% on top of their current (annual) water bill for the transfer of pipes up to the stop tap. However, these values were developed without taking into account any other costs that affect water bills.
83. The research also found that customers' expectations were very high in relation to the level of service they would get from their water company if responsibility transferred to them in terms of speed of response and resolution of a problem and the quality of reinstatement.
84. For those with particular concerns about these issues the available insurance schemes like those offered by Homeserve can be attractive. However, not everyone can afford the additional expense and some are wary of these offers. Affordability of these additional policies must be a consideration when any new approach is considered.

**Question 20 - Of the alternatives, which is your preferred? Please explain why or if you have other ideas.**

85. As mentioned in the consultation document, about 25% of overall leakage is from customers' supply pipes. We acknowledge that transferring the ownership of supply pipes (to water companies) could potentially deliver improvements to company leakage figures and may be

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<sup>17</sup>DJS Research(2017) Piping up: customers' views on the transfer of water supply pipe ownership in Wales. A joint project between CCWater, Welsh Government, Dwr Cymru-Welsh Water, Dee Valley Water and Severn Trent Water. <https://www.cewater.org.uk/research/piping-up-customer-views-on-the-transfer-of-water-supply-pipe-ownership-in-wales/>

<sup>18</sup> The other two options were: a) transfer shared water supply pipes only, b) transfer all pipework up to the outside wall of the property.

an option supported by (some) customers. However, we would wish to see the results of the full impact assessment and cost data before any changes were agreed.

86. If changes to the ownership of supply pipes were to take place, we would like to see any proposals tested for customer acceptability as we have concerns about the potential effect on bills and levels of service. Any changes must be driven by customers' views and the final proposals tested to ensure that they are acceptable to customers, and are affordable.
87. Our preferred option (from those presented in the consultation document and listed below) is option 3 - to create a mandatory code of practice for water companies. The table below explains some points about the options suggested in the consultation.

Option	Comments
1. Increased use of metering and/or smart metering	Water companies increasing the number of metered customers could, as part of the metering programme, do more to engage with customers to establish responsibilities, identify and repair leaks on supply pipes and any internal plumbing issues.
2. National policy for a single continuous pipe from main to wall mounted meter box in new build properties to address leakage.	If the meter is on the wall, it would not pick up on any leaks that could develop on the supply pipe.
3. Preferred option: Create a mandatory code of practice for water supply companies (rather than voluntary)	<p>Although this approach would likely require funding to satisfy the requirements, a mandatory code of practice for all water companies would ensure consistency in how companies address supply pipe leakage.</p> <p>This is an area water companies would want to focus on, hence the need for consistency and continuity in what companies offer.</p>
4. Require water supply companies to assist with maintenance and repair	<p>This is similar to what happens at present, where some water companies assist with repairs although supply pipes are customers' responsibility.</p> <p>At present, there is no consistency: company policies vary in what they offer. Rather than changing ownership of supply pipes, all companies should assist customers with repairs to supply pipes, given companies' commitment to reduce leakage. Refer to comment to option 3.</p>
5. Voluntary adoption of supply pipes by water supply companies	A voluntary approach could work, but it will inevitable result in water companies doing different things, potentially creating conflicts around fairness.

Option	Comments
6. Water supply companies to run public relations exercise to identify and address problem pipes and clarify property owner responsibilities.	This should be part of any of the approaches mentioned above - if customers understand what the problems are/might be and how to fix them, they can be more supportive of the approach taken by their water company/industry.

88. UKWIR is currently undertaking research (with a group of water companies in England and Wales) on the impact of different customer-side leakage approaches and assess the impact on leakage levels, customer service and costs. The final report is expected in Q3 2019-2020. More information is available from UKWIR ([www.ukwir.org](http://www.ukwir.org)).

**Question 21 - What other options are available to reduce leakage from customer supply pipes?**

89. Other options available to deal with customer side leakage include different types of insurance cover (i.e. Homeserve and other emergency insurance policies). But, for these to be effective, customers need to know that there is a leak, which may not be immediately apparent. There can also be potential issues around fairness of recommending these types of policies as a fall back. Being additional insurance policies, not everyone may be in a position to want to or be able to afford them.

**Communications and behaviour change**

**Question 22 - What are the main barriers to changing behaviours to reduce personal water use? Please rank your top three options by order of importance.**

90. All of the reasons listed in the document are barriers to changing behaviours to reduce personal water use. The importance given to these reasons is likely to vary amongst different types of customers. For this reason, it is essential that companies continue to work on methods to identify and segment their customers in order to understand their behaviours and motivations.
91. In addition to the barriers listed in the consultation, our research<sup>19</sup> identified the following:
- Customers' lived experiences and perceptions influence their attitudes towards water use: people feel that 'because it rains all the time' water resource scarcity only becomes an issue when water use restrictions/hosepipe bans are mentioned and/or imposed.
  - People are reluctant to change their behaviour if they think that water companies do not demonstrate they take water scarcity seriously. This is mostly the case around leakage, but water companies can also highlight the wider work they do to help customers reduce their water use.

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<sup>19</sup> Community Research on behalf of CCWater (2017) Water saving: helping customers see the bigger picture. <https://www.cewater.org.uk/wp-content/uploads/2017/10/Water-Saving-helping-customers-see-the-bigger-picture.pdf>

- People believe that if water scarcity is such a serious problem, ‘they’ should be doing something to address it. ‘They’ is a collective noun for those who are responsible, that could group Government bodies, water companies, NGOs and other interested parties.
92. Looking at the positives or ‘enablers’, our research<sup>20</sup> indicates that 66% of customers have made a conscious decision to use less water. These customers say that the top five reasons to save water are:
- To save money on their bills
  - It seems like common sense/normal behaviour
  - Seems like the right thing to do
  - For environmental reasons
  - As a result of receiving information from their water company to save water.
93. It is worthwhile pointing out that there are certain (socio-demographic) groups who are more likely to not have made a conscious decision to save water. They include :
- Non bill payers
  - People living in unmetered households
  - Aged 18-34
  - Living with parents/extended family

**Question 23 - which organisations (if any) should communicate about how to reduce personal water use? Please select all that apply.**

94. Water companies should be the key organisations to communicate with customers about how to reduce personal water use. Our research<sup>21</sup> indicates that, if customers wanted to find information about how to reduce their water use, 52% would go to their company’s website. We want companies to engage with their customers continuously, not only at times of crisis (i.e. drought, loss of supply) or during price reviews. Water efficiency should be part of that engagement.
95. There is also a role for other trusted parties, such as CCWater, to talk to consumers about how to reduce water use and ways to do so. Encouraging people to think about how they use water (and how to reduce their water use) is a shared responsibility - water use is something we all do (and take for granted) and as such, talking about it should be a shared responsibility. Messaging should focus on the wider context (the bigger picture - why do we need to save water) to help people understand the problem and why they are being asked to think about their water use. We do this and will continue to do so.

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<sup>20</sup> CCWater (2016) Attitudes to Tap Water and Using Water Wisely. A report by BMG on behalf of CCWater. <https://www.cwater.org.uk/wp-content/uploads/2016/08/Consumer-Attitudes-to-Tap-Water-and-Using-Water-Wisely-August-2016.pdf>

<sup>21</sup> CCWater (2016) Attitudes to Tap Water and Using Water Wisely. A report by BMG on behalf of CCWater. <https://www.cwater.org.uk/wp-content/uploads/2016/08/Consumer-Attitudes-to-Tap-Water-and-Using-Water-Wisely-August-2016.pdf>

**Question 24 - If there are any further matters you would like to raise or any further information that you would like to provide in relation to measures to reduce personal water use, please give details here.**

### **Water efficiency in the Non-Household (NHH) water retail market**

96. Although the consultation focuses on reducing ‘personal water use’, addressing the lack of water efficiency activity (and progress) in the NHH water retail market is something that needs to be considered.
97. One of the intended benefits of the NHH retail market, which opened in April 2017, was to encourage water efficiency. Water efficiency was expected to be a common retailer offering. As a result, it was thought retailers would promote, and offer assistance with, water efficiency as a means of reducing bills in order to 'keep and win' business. But, it appears that these savings have not materialised, possibly due to a variety of reasons:
- Market codes do not place any water efficiency activity or reporting duties on retailers,
  - Water Resources Management Plans do not require retailers to give projections on water use from NHH customers to help wholesalers with their water supply/demand forecasts,
  - Most wholesalers have stopped their water efficiency activity with NHH customers (e.g. water audits, retrofits and school visits) so that they don't interfere with the potential value added services offered by retailers.
98. It is likely that large NHH customers, with higher water use, have dedicated water managers and include water efficiency in wider conservation/resource efficiency activities as part of their 'corporate and social responsibility' programmes. For some of these customers, water efficiency is not necessarily about saving money, but also about their reputation and how resource efficiency fits in with a wider sustainability agenda.
99. Our Testing the Waters<sup>22</sup> report suggests that action to save water amongst NHH customers is linked to company size - the largest companies (by number of employees) are more likely to have done something to improve their water efficiency. More generally, only 28% of businesses are taking action to save water.
100. Table 1 illustrates the top five activities businesses are doing to reduce their water use, according to their size. It is clear that more needs to be done to help (especially micro and small) businesses to reduce their water use. Some water use can be likened to domestic use, and as such, many of the policy options suggested in the consultation could apply to help NHH customers reduce their water use too.

<b>Business size</b>	<b>Large 250+</b>	<b>Medium B 100-249</b>	<b>Medium A 50-99</b>	<b>Small 10-49</b>	<b>Micro 0-9</b>
<b>Activity</b>					
Nothing	34%	58%	58%	68%	73%
Hippo/Save a flush device in toilet cisterns	23%	12%	16%	11%	7%
Water efficient taps	17%	14%	10%	5%	3%

<sup>22</sup> CCWater (2019) Testing the waters <https://www.cewater.org.uk/research/testing-the-waters-business-customers-views-on-their-water-and-sewerage-services-2018/>

Business size	Large	Medium B	Medium A	Small	Micro
Employee awareness of water conservation	16%	15%	10%	12%	8%
Changed processes to use less water	12%	5%	2%	2%	2%
Rainwater harvesting	6%	5%	2%	2%	2%

Table 1 - Actions taken to reduce water use by size of company<sup>23</sup>

101. The barriers preventing wholesalers and retailers from working together to address water efficiency need to be dealt with. We understand that some of these barriers are likely based on the interpretation of how the market works, the need for a ‘level playing field’ and water efficiency being a ‘value added service’ offered by retailers to their customers. If wholesalers offered help with water efficiency to business customers via all retailers in their region then no “level playing field” issues should arise.

#### List of relevant reports:

- Community Research on behalf of CCWater (2017) Water saving: helping customers see the bigger picture. <https://www.cewater.org.uk/wp-content/uploads/2017/10/Water-Saving-helping-customers-see-the-bigger-picture.pdf>
- DJS Research(2017) Piping up: customers’ views on the transfer of water supply pipe ownership in Wales. A joint project between CCWater, Welsh Government, Dwr Cymru-Welsh Water, Dee Valley Water and Severn Trent Water. <https://www.cewater.org.uk/research/piping-up-customer-views-on-the-transfer-of-water-supply-pipe-ownership-in-wales/>
- BMG (2016) Attitudes to Tap Water and Using Water Wisely Survey. A report for CCWater. <https://www.cewater.org.uk/research/attitudes-to-tap-water-and-using-water-wisely/>
- Research Works (2016) Beneath the surface: customer experiences of Universal metering. A report for CCWater and Southern Water <https://www.cewater.org.uk/research/beneath-the-surface-customers-experiences-of-universal-metering/>
- DJS Research (2013) Research into saving water - the experiences and perceptions of customers and their households. A report for CCWater. <https://www.cewater.org.uk/research/research-into-customer-water-saving-2/>
- SPA Future Thinking (2013) Research into customer perceptions of leakage. A report for CCWater. <https://www.cewater.org.uk/research/research-into-customer-perceptions-of-leakage-2/>
- You Gov (2013) Understanding drought and resilience. A report for CCWater. <https://www.cewater.org.uk/research/consumer-council-for-water-understanding-drought-and-resilience-2/>

<sup>23</sup> CCWater (2019) Testing the waters <https://www.cewater.org.uk/wp-content/uploads/2019/04/Data-report-Testing-the-Waters-Business-customers-views-on-their-water-and-sewerage-services-2018-1.pdf>

- You Gov (2012) Research into restrictions on the use of water. A report for CCWater.  
<https://www.ccwater.org.uk/wp-content/uploads/2013/12/Water-restrictions.pdf>

## Enquiries

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