

Waterwise response to Ofwat's consultation on its Forward Programme 2006 – 07 to 2008 – 09

May 2006

Waterwise welcomes Ofwat's Forward Programme 2006 – 07 to 2008 – 09 and looks forward to working with Ofwat to deliver it.

We have specific comments on two sections of the document:

2.9 Supply and demand for services

Waterwise welcomes the list of actions outlined on the supply-demand balance, including promoting water efficiency. We would add the following:

- The consultation draft refers at the bottom of p16 to working with the Environment Agency, Defra, CCWater and Waterwise, including through the Water Saving Group, to improve understanding of the cost-effectiveness of companies' water efficiency activities, which we welcome. Subject to the building of an evidence base for large-scale water efficiency measures, applications – and funding awards - for the 2009 price review must build on this and reflect a new, sustainable balance of measures. Ofwat should encourage companies to seek novel approaches on large-scale water efficiency projects where there is potential for tangible public benefit, and should work proactively with them to identify areas for innovation. Large-scale water efficiency measures need to be included and reflected in the review of incentives for the 2009 price review. This is essential if it is to follow sustainable development principles
- We believe it is essential that Ofwat develop a strategic but targeted approach to water efficiency in the run-up to the next price review. As part of this, we propose a dedicated Ofwat water efficiency team alongside the broader supply and demand balance team.

2.11 Sustainable development

Securing value in the broadest sense, including to the economy, society and the environment, will be absolutely key to Ofwat's delivery, with stakeholders, of sustainable development. It is essential too that the outcomes of Ofwat's sustainable development work are tangible and measurable. As part of this, we propose sustainable development reporting in Ofwat's annual report. We also propose that Ofwat require information on sustainable development indicators from companies through the June return.

We expand on these comments in our response to Ofwat's consultation "Contributing to sustainable development", dated April 2006.