Market Improvement Fund Successful Projects

Following a successful second round of the non-household Market Improvement Fund, nine projects will be receiving a total of £890k, funded by Operational Performance Standard (OPS) and Market Performance Standard (MPS) charges. This round features research projects to tackle poor data quality, pilots to drive water efficiency improvements, the development of innovative communication software and more.

"We continue to be impressed by the quality of the successful projects submitted for the Market Improvement Fund. The fund was established to encourage collaboration across the industry, to resolve key market issues, and improve the market for both trading parties and customers, and these projects truly demonstrate this."

Steve Formoy, MOSL's Finance Director and Project Sponsor

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Meter Condition Assessment

Wave and OccuTrace

This project will investigate 2,000 varied supply points (SPIDs) with zero-consuming meters (suspected to be broken) across all wholesalers. This project aims to establish their state, and provide a source of evidential data that outlines the extent to which manually read meters are contributing to the lack of accurate consumption data in the market.

Wendy Monk, Director of Regulation and Compliance at Wave

What do you hope to understand about the meter condition of your sample and how will you ensure that these are representative of the market as a whole?

"We want to understand why a meter is recording zero consumption. Is it correct and, if so, why? For example, it might be a meter used solely for firefighting or as a back-up supply to another meter, or the premises are vacant or demolished. Alternatively, is it because the meter is broken? If so, are there any visible indicators of how or why it got broken? If the meter isn't working, how old is it and who is the manufacturer? The sample being used includes meters in all wholesaler areas to show a variety of meter sizes, manufacturers, types, ages, and customer segments. We hope that the project will help identify any patterns which may help us understand the likely point when meters of a particular type and age are more likely to break."

How do you think that these findings could be used to benefit the market?

"The findings will assist in preempting the dissatisfaction experienced by customers who have broken meters by focusing attention to where meters are at a high risk of breaking, and replacing them before they break. This will help customers who can go for long periods without access to any consumption data. Consumption data helps customers understand their usage, gives them confidence that their bills are correct, helps them identify and fix leaks quickly through visibility of abnormal consumption, and offers data on which customers can make decisions about greater water efficiency (leading to cost savings and environmental benefits). The findings may help inform the design of market improvements such as a 'Market Asset Standard' and a 'Meter Assurance Programme' whereby meters are periodically checked by wholesalers to make sure that they are working and accessible for reading. More working meters will help wholesalers to evidence what is consumption and what is leakage."

How will you measure success of this project?

"All intelligence gathered will be useful. If it's found that very few meters are broken but they are all correctly recording zero consumption then that suggests that meters are in a good state of health, but the market data could be improved by recording whether a supply is for firefighting, a back-up supply, vacant or has been demolished. If most of the meters are broken that suggests that meters may not be generally in a good state of repair and that identifying zero consumption is a good indicator that a meter is broken and needs replacing. The project will be successful if it provides a body of evidence about the condition of meters in the market on which further decisions to deliver customer improvements can be made."

Project 'Discovery': Non-household customer segmetation and consumption benchmarking

Anglian Water Services

This project aims to better understand the potential contribution of the non-household water market to the wider demand challenges facing the industry and inform water resource management planning. It will look at testing the value of customer segmentation and consumption benchmarking in delivering demand reduction, which will result in the development of a national consumption benchmarking model that can be applied across the industry.

Pete Holland, Director of Wholesale and Customer Services at Anglian Water Services

How important is developing an understanding of the different segments within the non-household market?

Non-household customers account for around 30 per cent of the public water consumed in England and MOSL has identified 90 per cent of non-household customers use water for domestic-like purposes (e.g. taps and toilets), which highlights the need for similar messaging and interventions as domestic customers. The diversity of non-household customers presents distinct opportunities to reduce demand. Customer segmentation is therefore an enabling tool which can improve visibility of specific customer types, thereby assisting a targeted approach.

It will also enable stakeholders to more effectively engage with customer representative bodies that can promote water efficiency with their members and raise the profile of water efficiency and demand reduction on terms that resonate with the sector in question. Furthermore, engaging at a sector level will help relevant groups within the water industry understand sector-specific future challenges and trends, and better inform the view of future water demand.

Understanding industry sectors and linking to comparator data most appropriate for each enables us to develop more effective high-level usage benchmarks, which can support us in identifying potential outliers in consumption as a result of leakage or wastage.

Wholesaler operational leakage teams take night-time usage patterns by District Management Area (DMA) to understand and identify potential leakage. However, some industry types operate 24/7 and so have genuine continuous flow. Identifying these industry types within a DMA supports the understanding of continuous flow and the more effective identification and resolution of genuine leakage.

Different sectors' water use correlates with different factors such as weather and time of year (e.g. Turf Management, Agricultural). Appropriate industry segmentation could enable more effective short term water usage forecasts based on short-term factors, like weather. This would enable better management of the supply network and balance supply with demand more sustainably."

What are the key outputs of this project, and how do you hope they will be used?

"Given the amount of activity related to non-household water efficiency, the project will review previous and ongoing work on granular consumption analysis and the lessons learnt will be identified and used to shape this project.

A key output will be developing a standard industry-relevant schema for customer segmentation that groups non-household customers by relevant comparators for water use and potential demand reduction interventions. Benchmarking has the potential to be a very powerful tool for driving customer behaviour around consumption reduction, providing benchmarks that are easily and freely available and site type specific. Therefore, the project aims to identify pertinent comparators (e.g. pupil numbers for schools) for each industry segment selected and a high-level benchmark developed that can be used by all interested parties.

Acknowledging the scale of this task, the project will focus on a defined set of customer segments, completing the schema for these segments and developing a methodology to support the remaining.

The schema is intended to support non-household demand reduction, water resource forecasting, consumption benchmarking, identification of alternatives (e.g. grey water or abstraction) and targeted water efficiency interventions. The results of the benchmarking analysis will be verified with actual site-level information, with interventions identified and implemented to allow case studies to be produced. This will necessitate short and long-term consumption monitoring at site level to show if any water savings are sustained and, if so, over what period. The aim is to provide a portfolio of case studies, by customer segment, which identifies the scale of water savings achieved, by customer type, and to what extent benchmarking assisted in achieving any water savings. This will likely feed into further work to develop the social science aspect of water saving related to behaviour and developing the 'why' for non-household customers to save water."

The project is colla-borative with members from MOSL, Anglian, Thames, Affinity, Southern, Portsmouth and Yorkshire Water, and retailers Everflow and Wave represented on the steering group.

How will you measure the success of this project?

"To date, the development of robust consumption benchmarks for non-household customer segments has proved a challenge. This project should move us forward on key areas such as defining a standard approach to customer segmentation, developing benchmarks and determining the impact of interventions. Therefore, the success of the project will be measured by developing a robust and market-approved schema and testing the benchmarks produced with site-level investigations and interventions as described above. The output of the project will be freely available to allow water resource planners to use evidence-based water saving options within their plans."

DEV-Pool: A new software service for water companies to fulfil service requests from developers

C&C Group Holdings, Portsmouth Water and Yorkshire Water

C&C Group aims to deliver a new central software solution, "DEV-Pool", to enable developers to request water services from the various water companies in England and Wales, and to allow an effective two-way communication channel for all stakeholders, including wholesalers and retailers. This solution would serve both residential and commercial developer requests and would leverage C&C's SWIM-Pool technology.

Tony Golder, Head of Product Management at C&C Group

What are the benefits of developers and water companies using DEV-Pool, and what issues could it resolve?

"We aim to create a new industry-wide solution with the creation of the DEV-Pool Service - a single centralised service that offers the opportunity to pool industry best practice into a single focused solution.

For developers, having a single gateway to the services provided by all water companies will simplify the process of applying for services and make the experience consistent each time, regardless of which water company they are looking to work with. Maintaining all of their application information in a single place would make it easy to keep track of the status of each request and be able to receive alerts directly when key events occur within the lifecycle of their application.

Water companies will benefit from having an industry-standard solution that will be maintained in line with any regulatory changes and will automatically track and measure their performance. This is a time saver for water companies who will benefit from the workflow management capabilities of the solution to keep track on progress and status. Having a single communication channel, to discuss any aspects of an application for service from developers, simplifies the communication challenge and is expected to result in improved feedback. Looking further ahead, DEV-Pool will offer further opportunities for water companies to add new services via DEV-Pool and potentially automate tasks further.

We expect that customers will also benefit from DEV-Pool, whether that is due to quicker request completion times, or from knowing the developer has up-to-date information regarding the expected completion of supply requests. For commercial developments, there will be the opportunity to present details of new developments to water retailers to enable them to present developers with dedicated tariffs for incoming tenants or for the developers themselves whilst awaiting tenant occupation. This may better inform incoming customers about their supply options and speed up the process of having a customer-appointed retailer in place from the first day of tradability.

Overall, we hope that DEV-Pool will offer significant time savings for all stakeholders, simplify the process of obtaining new supplies and provide clear and transparent information."

You're developing this new software based on your SWIM-Pool technology – what key learnings have you taken from the development of that software that will be considered when creating DEV-Pool?

"Having developed SWIM-Pool for the start of the non-household retail market, we understand the complexity involved with creating a solution to manage high data volumes and complex processes with multiple timed Key Performance Indicators (KPIs). SWIM-Pool measures and tracks over 300 KPIs across the spectrum of bilateral processes. The existence of SWIM-Pool as the baseline for DEV-Pool has presented a unique opportunity to modify an existing market-leading solution to meet a new challenge. Data is key within a service of this type, and it is important to spend time establishing a data catalogue that will work for all of the current processes, but also to not become a constraint to the creation of future processes. One of the early challenges will be to define the equivalent to CSD0601 for developer services.

Working with industry partners has been a critical success factor for SWIM-Pool. We plan to work with Portsmouth Water and Yorkshire Water to define the forms and processes that are needed within DEV-Pool to ensure that the solution is fit for purpose. DEV-Pool will be built by the industry, for the industry.

We also understand the importance of scalability and performance. For DEV-Pool as a central service, we will be looking at public cloud hosting to provide easier management of variable transaction volumes and guaranteed accessibility. To help water companies utilise the data they receive there is an Additional Programming Interface (API) planned to enable integration with internal systems."

How will you measure the success of the project?

"The success of this new service will depend on the adoption of the solution, particularly by water companies - I feel they will lead the way and demonstrate their ambition to deliver service excellence to developers and customers. Adoption of this service by a significant number of water companies will be the simplest form of validation for DEV-Pool. There are many other potential measures, from time savings, new service provision, better reporting and the creation of a significant data asset that can be used to inform the industry. I am hopeful and expectant that we will be able to reflect on the positive impact that this service has had for our industry in the not too distant future."

Business voids research to inform optimum market outcomes

Yorkshire Water, Business Stream and Economic Insight

Yorkshire Water and Business Stream will lead a comprehensive review of reform options to reduce the number of premises that are incorrectly considered to be "void" properties in the non-household market. This project will provide trading parties, MOSL and Ofwat, with insight which will support decision making, including 2024 Price Review (PR24) plans, ultimately leading to improved customer outcomes, including more accurate bills.

Shaun Cox, Billing Manager at Yorkshire Water

Why do you think that business voids remain such an issue in the market?

"Business voids are properties which are connected to a water company's networks, and for which the associated data is recorded in the market systems but the property and/or customer is unbilled. Some of these premises are genuinely unoccupied, while others are not. Determining the true status of occupancy can be difficult for a number of reasons, including:

- Ineligible premises not being removed from the market (e.g. following change of use)
- Poor data quality (particularly address data) leads to complexities in determining the actual premises referred to in the market
- Retailer trace activity to identify if occupied premises can be ineffective.

Managing whether a premise is truly vacant requires trading party resource to manage it and these resources are always challenged by competing data priorities which may have more direct consequences for customers or the market. For smaller non-household customers, the amount of trading party effort expended to manage this data may be disproportionate to the amount of revenue it may bring in. Given these complexities, it is important for the correct behaviours to be incentivised. Some wholesalers offer vacancy incentive schemes or have charging policies intended to incentivise accurate occupancy status (such as charging for vacant premises), however the application of these incentives is inconsistent and their effectiveness in dealing with the issues is not clear. Unsurprisingly, business voids are not a new issue in the water sector and it continues to be a challenge."

How do you envisage the insight from this work being used by MOSL, trading parties and Ofwat?

"The project aims to:

- Research whether the current framework is incentivising the right outcomes in managing voids
- Understand the variation of vacancy rates across regions and overtime using CMOS data and independent third-party data
- Identify opportunities for market reform to improve management of vacant and void premises.

Two main areas where we envisage that this insight will be used are in the Market Performance Framework (MPF) Reform and in water companies' 2024 Price Review (PR24) plans. In their PR24 Methodology Statement, Ofwat has ruled out business voids as requiring a Performance Commitment (PC) or Outcome Delivery Incentive (ODI). Instead, it has set the expectation that incentives for effective management of voids will be incorporated into the MPF. We therefore see the insight provided by this project will directly benefit an objective which has now been set out clearly by Ofwat. For water companies' PR24 plans, although there will be no PC or ODIs, we believe the insight will still be useful for companies in preparing their plans."

How will you measure the success of this project?

"The success of the project will be in delivering the insight and options for market reform which will enable market participants to add value to the market and, ultimately, customers. So it is to these stakeholders that we will seek confirmation of success – whether the insight and options provided are meeting their needs and the wider needs of customers. In the long term, improving the management of voids may ultimately lead to the reduction of cross subsidy from non-paying customers, which supports reduction in the cost of customer bills to all. In a difficult time of ever rising costs, anything which eases the cost burden on customers is welcomed."

NAPS Data Quality Cleanse

IDenteq Ltd and MOSL

IDenteq will target New and Partial supply points (NAPS) in an exercise to drive significant improvement to the quality of market data. The project will analyse NAPS to confirm which properties are genuine business connections, which are domestic and should be de-registered, and which connections have completed and should now be tradable in the market. Reports will be available to trading parties to help them cleanse any errors and improve overall data quality and create a template for trading parties to manage their own enduring processes to enable the data quality improvements to be maintained.

Andrew McKinney, Managing Director at IDenteq

Why do you think this is an area with data problems and how do you think this project can help?

"New connections have historically been a cause of data quality issues in both the domestic and business water markets. It can often take months, or even years, for development sites to be completed, and the management of the onboarding of new properties is not a simple process for water companies. Plot and postal address data quality, supply route checks to confirm which meter feeds what property, and ensuring that developers communicate with water companies in a timely manner once properties are completed are just a few examples of new connections processing challenges.

Since the market opening in 2017, the number of in-flight new connections (identified as 'New' and 'Partial' SPIDs in the market) has been steadily growing, with a build-up of poor quality SPIDs in the market dataset. Circa 88k new registrations have been completed and circa 43k remain vacant, and when 100 temporary building supplies (TBS) were reviewed by MOSL, 50 per cent appeared to be household premises and, as such, required de-registration - eligibility of TBS in the market is dealt with differently by wholesalers.

MOSL published a Request for Information (RFI) in December 2020 to seek feedback on the new connections process. 75 per cent of trading parties said that the process does not work effectively, and 71 per cent of trading parties said that they are incurring additional costs through inefficiencies within the process. In addition, retailers stated that between 30 and 70 per cent of supply points are ending up vacant due to inadequate data to allow the customer to be brought on charge.

This project will improve the quality of the NAPS dataset and enable us to analyse the data quality and vacancy rate of new tradable SPIDs in the market (SPIDs made tradable in the last 12 months). The purpose is to make a one-off step improvement in market data quality, whilst also identifying key root causes of data quality issues and providing evidence to back up recommendations for enduring process changes."

How will trading parties be able to use the findings from your work and what will be their incentive to do so?

"The project will identify:

- NAPS that are genuinely being developed as the property are listed on the Royal Mail 'Not Yet Built' database
- NAPS/new connections that contain data quality issues which need to be addressed before the property can be assessed
- NAPS/new connections that should be de-registered as the property is listed on the Council Tax register
- NAPS that have been completed and should be tradable new connections in the market, and are vacant
- NAPS that have been completed and should be tradable new connections in the market, and occupied (with occupier details)
- New connections that are vacant in the market which should be occupied.

Each property in the pilot study will be assessed and segmented into the above buckets with data appended to allow wholesalers and retailers to correct the data as they see fit. Wholesalers will benefit as they will be able to update cleansed addresses in CMOS and deregister domestic SPIDs (and TBS where applicable). Retailers will benefit from the cleansed wholesaler data through efficiency improvements. Retailers will also receive occupier data on supply points which are now tradable and have high confidence occupier data available, driving occupied tradable SPIDs rather than vacant.

The market will receive detailed insight into the data quality of all NAPS in CMOS, along with the analysis of the tradable SPIDs in the market which have come through new supply point registration (made tradable in the last 12 months). This analysis will arm MOSL with the evidence to drive enduring process improvements in this area."

How will you measure the success of this project?

"The project will show trading parties what data is available and enable both wholesalers and retailers to perform a one-off, measurable data cleanse of the new connections and NAPS in the market. This will benefit customers through more accurate billing, as when a customer calls to move into a new connection, the property will be available in CMOS with a high level of data quality. The review will also identify household properties which should be removed from the market to improve market quality and governance. This will also reduce the number of SPIDs sat in the NAPS data, making the processing of these SPIDs easier for retailers. In addition, the insight driven from the project will provide the market with solid evidence across the whole of the NAPS dataset, as to what the key address problems are that trading parties refer to. MOSL will then be empowered to make any changes that are required for the good of the market.

Feedback will be requested from all trading parties who receive the data outputs to measure against the deliverables and objectives. In fact, everyone wins here!"

RWG Wholesale Tariff Simplification Development

RWG Wholesale Tariff Simplification Sub-Group

Following an industry-wide consultation to seek feedback on ideas to simplify wholesale tariffs, the RWG Tariff Simplification Sub-Group will be working with a consultant to explore and refine a number of options, where more technical expertise is required. These include simplifying and aligning volumetric tariff bands across wholesale regions; simplifying and aligning the bands for fixed meter charges; and aligning water and waste tariff bands.

Rosalind Carey (Business Stream), James Lancaster (Thames Water), Neil Manning (Anglian Water) on behalf of the sub-group

Why is there so much complexity around wholesale tariffs, and how do you think this project can help?

"Historically, each wholesaler has developed its own tariff structure in response to regulatory principles and their own system dynamics, resulting in different approaches and little commonality between regional tariff structures. This has led to a high degree of tariff complexity within the non-household market, with circa 9,000 tariff elements in the CMOS system at one point.

The effects of this complexity include:

- Confusion for customers, especially national customers, and those with sites in multiple wholesale regions
- Disparate tariffs for similar customers in different regions
- High systems and administration costs for retailers
- Inconsistent messages to customers about the need, and their options, for managing water consumption
- Constraints on retail tariff innovation.

If we can simplify wholesale tariff structures, it would help to improve customers' experience and increase the efficiency of the market. For the majority of customers, the most significant proportion of their bills is the volumetric charge, which in most wholesale regions, varies according to customers' annual consumption. However, there is almost no commonality between the number and size of the volumetric bands used by wholesalers. All but six of the wholesalers also have fixed charges per site based on meter size. In the same way as volumetric charging bands, there is little commonality between the number and size of bands or the thresholds between them.

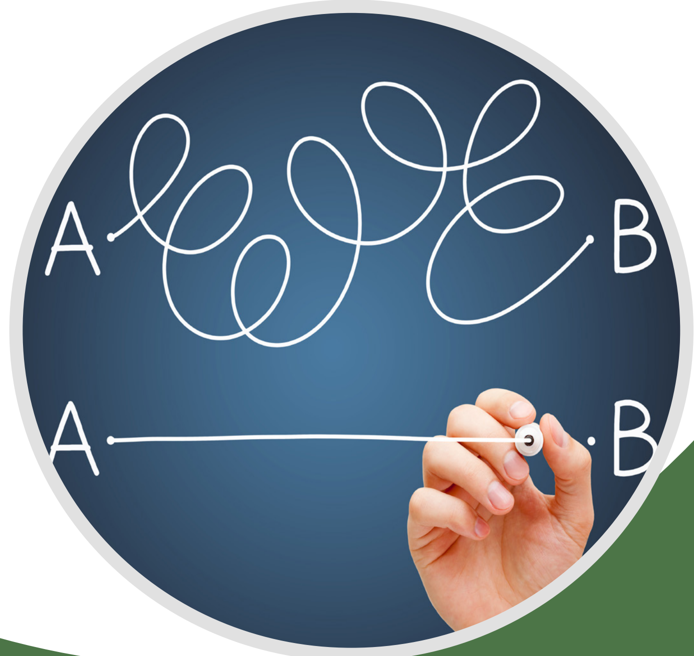
The RWG Tariff Sub-Group consulted with industry at the end of 2021 on a number of options for simplifying and aligning volumetric and meter charging bands across the market. Encouragingly, there was widespread support for the idea of simplification, but understandably, some concerns about the potential implications for customers of any significant changes. Consequently, the purpose of this project is to take the next step, and using the technical expertise of PA Consulting, refine our options for harmonising volumetric and meter charging bands and to assess the impact of these options on customers."

The end goal of your project is to assess the impact of several options for tariff simplification – what are the next steps once you have the results? What do you hope to achieve?

"This assignment will give us the information we need to understand the 'incidence effects' on customers of making changes to the volumetric and meter charge bandings across the market. It will give us an indication of the number of customers affected, the range of individual bill impacts and the overall usage volumes impacted across the whole market. In addition, the project includes a 'deep dive' in two wholesale regions (those where change is likely to be greatest), looking in more detail at the extent to which customers' bills could be affected, and how this could be managed.

The RWG Sub-Group will use the project outputs to identify the optimum simplification option, balancing the benefits of harmonisation with the potential costs of change and we will develop recommendations for further consultation with industry. It is envisaged that wholesalers will want to do their own modelling to assess the implications for customers in their own areas, but we would hope that changes could start to be made from April 2024.

If there are any 'quick wins' identified by the project – perhaps in relation to meter size bands – it may even be possible to make changes from the next financial year, alongside other changes we are proposing for (i) return to sewer allowances and (ii) wholesaler charging statements (not part of this project)."



How will you measure the success of this project?

"The aim of the RWG Sub-Group is a simpler wholesale tariff structure, harmonised across all regions of the non-household market. However, we recognise that in unpicking complex tariff structures, there will be consequences, which we need to understand to ensure that the costs of change do not outweigh the benefits.

This project will help us understand the feasibility of some of the more significant options for streamlining tariffs, so success will mean moving us a significant step closer to being able to make robust recommendations, and providing the evidence to support the transition process."

REDUCED: Raising Efforts to Drive User Consumption Efficaciously Down

Isle Utilties and Wave

The REDUCED project will create a searchable online portal, giving retailers access to emerging technologies that will address customer pain-points, and verified technology developers access to retailers for trial opportunities. The portal will serve as a collaborative tool, enabling users to develop new skills and behaviours, further driving competition and the water efficiency profile of the non-household market.

Caroline Wadsworth, Head of Strategic Partnerships at Isle Utilities

What will be some of the key features of the portal?

"REDUCED will create a unique, free and easy to access online water efficiency technology portal for all retailers in England. Acting as a single point of market entry for (relevant) emerging and established technologies, the portal will provide access to independently assessed solutions, enabling retailers to present new technologies to business customers with confidence. The portal will improve non-household water efficiency ambitions, providing equal, easy access to independently assessed technologies, levelling the playing field whilst embracing and encouraging competition.

Retailers will have the opportunity to define business customer challenges to which solutions will be sought through: open calls; bespoke horizon scans on focused challenges; bespoke business customer workshops to define challenges/technology searches; or rely upon other retailers to drive the portal population, using it as a search tool only.

There are no other independent online portals facilitating access to independently assessed technologies, allowing retailers to have confidence in the solutions listed. By utilising the technical expertise Isle Utilities has to offer, more complex solutions can be sought which will: deliver more sustainable water efficiency gains and facilitate a step change in the level of collaboration between retailers and business customers; create an open approach to learning and innovation sharing; accelerate the adoption rate of solutions; and ensure climate change is at the heart of all decisions made (as per the COP26 ambition). This project allows retailers, who are currently offering basic water efficiency solutions, access to a wider pool of solutions to offer their business customers, while significantly reducing the hurdle for retailers that currently do not offer these services to develop a compelling competitive offering, thereby improving the market for business customers."

How will you encourage trading parties and developers to use this tool?

"Isle will support retailers to help their business customers assess the potential cost benefit of solutions so that returns on investment (ROI) can be calculated and accounted for. For example, by working in partnership with Isle, a water-only company in England was able to assess and adopt a pump optimisation solution and, having implemented it, gained £25k annual savings on energy with a one-year ROI.

Isle's reputation and extensive network will be used to encourage technology developers of the credibility and potential deployment opportunities available through this programme. The portal will also feature a 'reverse matching' service whereby verified technology developers seeking trial opportunities will be matched by Isle with interested retailers.

Retailers can choose how they engage with the portal and this will help them define their competitive advantages. To encourage retailers to access and engage with the portal, several introductory webinars/workshops will be hosted by Isle to introduce retailers to the portal, how to use it, and to ensure that retailers understand the potential benefits of engaging.

To incentivise involvement in the development of the portal, as part of the project, Innovation Maturity Assessments (IMA) will be offered to retailers to enable them to better understand their current capability and capacity for innovation. They can then develop an action plan to improve and, at the end of the project, reflect upon the impact the project has had on the IMA scores. Retailers can also request supporting services including Open Challenge calls, horizon scans and customer workshops."

How will you measure the success of the project?

"The online portal will be developed with the support and involvement of the steering committee, comprised of retailers. The success of the project will be assessed through tracking and measuring of the following:

- The number of users accessing the portal
- The mechanisms by which retailers engage with the portal will also be tracked and measured
- The number of technologies in the portal and solutions deployed will be tracked to determine the successful engagement of technology developers and the development of the portal
- The adoption of technologies, the number of business cases that are supported by the portal, and how many solutions deployed using the portal will be carried out to determine the broader impact and success of the portal
- The retailer IMAs will enable us to determine the impact the project has had on scores, and whether improvements have been made following the portal development and supporting activities
- Where possible, calculations to determine the increases in water efficiency gained will be made to determine the impact of the trialled/deployed solutions."

Automated Water Efficiency Audits

Wave

This project will use Internet of Things (IoT) technology (Water Event Metering) across a pilot of 250 customers, creating a low-cost way of decreasing average consumption in small commercial premises. It does this by providing the customer with consumption insight per outlet and creating business cases for them by using point of consumption data in real-time.

The primary output of the project is a blueprint for understanding of how smaller customers could engage in water efficiency measures, what works best and will enable trading parties to use the best practice learnings to create new commercial propositions.

Oli Shelley, Head of Operations at Wave

Your project challenges the assumption that smaller customers will not actively engage with water efficiency activities – why do you think people assume this?

"In part, it's our own experience. We've worked with business customers around water efficiency for a number of years now and the smaller they are, the harder it has traditionally been to engage in saving water. This is also supported by analysis completed by MOSL, showing that around half the meters in the non-household market use less than a domestic consumer. We know that water efficiency interventions (or even just an audit) can cost several hundred pounds, so it's no surprise that some smaller businesses struggle to engage, as the cost of intervention may be double their annual bill."

What sort of insights do you think will be provided to customers and how might these be used to drive changes in behaviour?

"For us, the most exciting part of the project is that we're going to be able to start showing business customers what they're using at a given outlet such as a tap or toilet, meaning we can move them beyond looking at consumption at the meter, and instead really target their focus and effort on addressing behaviour at the point of use."

How will you measure the success of the project?

"Our audacious goal is drive an average 10 per cent reduction in consumption across those sites taking part in the project. That's quite scary for us to say out loud but we've got some very serious challenges around water resources on the horizon in this country, and we need to start setting goals that move the needle."

Consumption Awareness and Benchmarking

Yorkshire Water and MOSL

The aim of this project is to utilise granular consumption data for improved market outcomes.

Mitchell Yeoman-Boldry, Client Relationship Manager at Yorkshire Water

What sort of data will you be analysing within this project? Do you have any examples of insights that this work may help provide?

"A fundamental part of this Market Improvement Fund bid is having access to granular consumption data. We've been working with wholesalers across the industry to gain commitment to sharing either smart meter data or data logger data, ideally 15 minute or half hourly. This data will be used by the Leeds Institute for Data Analytics (LIDA) who will complete the following objectives:

- Develop further knowledge of water use statistical distributions by customer characteristics to support the goal of increased customer segmentation
- Recommend steps to support the benchmarking ambition where required (e.g. harmonisation of data sets from different wholesalers, data volumes needed, and external data sets needed)
- Advance leak detection practices by recommending a standard definition of a leak for use in granular consumption data analysis."

Could this encourage service providers to collect new and different types of granular consumption data from customers?

"We hope this initiative will help demonstrate the value of granular consumption data and how it can be utilised for the benefit of all trading parties and customers. This in turn may support trading party business cases for deployment of smart technologies, which can only be a benefit for customers."

How will the outputs from this work help to benefit the market in the longer term?

"In addition to encouraging the adoption of smarter consumption monitoring technologies, this piece of work has additional importance in helping to achieve Ofwat's PR24 demand reduction target. By looking at innovative ways to utilise granular consumption data for the purposes of recognising customers who could reduce their usage or identifying leakage."

How will you measure the success of this project?

"For me, success can only be measured in delivery and adoption for this project. It's an initiative which will help arm trading parties with tools to support them in achieving their duties and obligations."