

# DEMAND DEMANDS

Nicci Russell plainly sets out why – and how – demand reduction should be elevated as an urgent priority.

## Policy recommendations

The letter went on to identify four policy areas for the sector to focus on:

- Centre water efficiency in the climate crisis – Russell noted the reduction in emissions from the water sector’s commitment to net zero operational emissions by 2030 could be doubled if accompanied by just a 10% reduction in hot water demand. She comments: “Net zero – people really aren’t factoring in water efficiency, but why wouldn’t you?”

- Ensure homes and buildings are water efficient.

- Drive down business water demand.

- Support a culture change in customer behaviour.

Each came with an extensive list of recommendations for ministers and, separately, regulators and water companies. Russell explains the SWDRG discussed whether to focus on a handful of key recommendations or go all out, and her view was “we should put it all in”. She explains: “It’s more of a recipe than a menu... Demand reduction needs a lot more love in policy, regulation and delivery.”

That underpins her view that it is vital now to “give water efficiency a seat at the table” across the policy landscape, including on housing growth, economic growth, planning, and energy policy – especially concerning the future of water-intensive hydrogen.

Despite water efficiency being in the shadows for so long, Russell is confident it’s time to shine is here. She says all her recommendations can be absorbed into existing policy and regulatory work, if the stakeholders concerned are willing to accept them.

She concludes with a call to the Government, regulators and the sector to “be brave, even though it might not feel that comfortable”. **TWR**



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Nicci Russell didn’t mince her words when she wrote to Government, regulators and industry to issue an urgent call for action to cut water demand, to tackle a growing water deficit and support the net zero agenda.

She was acting in her capacity as independent chair of the multi-stakeholder Senior Water Demand Reduction Group (SWDRG) rather than as Waterwise managing director. The SWDRG was established by ministers to track progress on water demand reductions in England and to recommend if and when more action is needed to stay on track.

Russell clarifies that she drew on discussions in the group in composing the letter, but says the views expressed are hers rather than issued on behalf of the group. “Everyone agrees we need more ambition,” she explains, but there were “varying levels of comfort” with Russell’s clear ambition and her determination to “strike while the iron’s hot” in policy terms, given key planks of potentially supportive policy are being crafted imminently – including PR24 methodology, the demand target consultation, Defra’s Strategic Policy Statement for Ofwat, the Government’s roadmap for homes on water efficiency, and regional water resource plans.

The letter is an urgent call to action to address a widening gap between what is needed on demand management and where demand is heading. “The National Framework (NF) Senior Steering Group heard last month that the expected need for water has increased markedly from the original NF estimates in 2020, that demand management plays a very important role in reducing the national deficit (around 2,000 Ml/d by 2050) and that non-delivery of these demand reductions presents a ‘significant risk of worsening supply deficits and security of supply’. And yet, the latest data, collated by Defra for the SWDRG, shows very clearly that overall water consumption has increased since 2019 and that we are not on track against Ministers’ ambitions.” Russell comments: “It’s really sobering... We need a lot more demand reduction.”

## Reduction target

The letter then set out Russell’s stall on what we should do. First, she says, the water demand target being developed under the Environment Act simply must be more ambitious than current thinking. Russell argues the target should be expressed as a percentage reduction in distribution input (DI), encompassing household use, non household use and leakage, and not divided by head of population – “because the aim of the demand target is to leave more water in the environment, despite the pressures of climate change and population and economic growth”. She explains the DI element is widely accepted now but that debate continues on whether this should be divided per head and that her view is “enviro-centric”.

It will fall to Defra, following the advice of its Expert Group (which Russell also sits on) and a consultation, to nail down a specific target, but her advice in the letter was that:

- The overall DI target should be more ambitious than the 2037 equivalent of the NF target (of 110 litres per capita consumption by 2050) currently reflected in regional water resource plans.

- The sub-indicators for household and non-household use should also be set at a more ambitious level than business as usual.