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An Enterprise Ireland Market Guide for the Irish Supply Chain

An Overview of AMP 7, the
2020-2025 Water Sector
Investment Cycle in England
and Wales

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Ireland has good national water and wastewater capability as a result of successive waves of water intensive industrialisation. In the 1970s, large dairy and meat processing plants were established, followed by large chemical/pharmaceutical plants in the 80s and subsequently large ICT manufacturing plants in the 1990s. All these industry sectors are large water users and consequently large wastewater producers. Water and wastewater treatment technology providers developed to meet the needs of these industry sectors, along with the needs of the expanding market for new municipal water/wastewater treatment plants catering for an expanding population and stricter environmental controls on discharges.

Enterprise Ireland coordinates a well-established cluster of water and wastewater companies (80+) who are well positioned to service the English, Welsh, Scottish and Northern Irish municipal and industrial water sectors and their respective capital and growth objectives.

This cluster of Enterprise Ireland client companies provide products and service solutions to address global water challenges in areas such as water scarcity; climate change and resilience; rising energy costs; increased regulation; increased quality requirements and ageing infrastructure.

Contact

Enterprise Ireland:
Conor Stone, Cleantech Market Executive, London
conor.stone@enterprise-ireland.com
+44 (0) 207 438 8712

Darragh Cotter, Senior Market Advisor, London
darragh.cotter@enterprise-ireland.com
+44 (0) 207 438 8713

Enterprise Ireland
Shaftesbury House
151 Shaftesbury Avenue
London
WC2H 8AL

www.enterprise-ireland.com

Enterprise Ireland

An Insight into the English & Welsh Water Sector

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1. Introduction

This report is prepared for client companies of Enterprise Ireland (EI) who operate or are considering entry into the English and Welsh water sector over the course of a new five-year Asset Management Plan (AMP 7) which covers the period of 2020-2025.

The value of AMP7 is approximately £51b, consisting of an approximate 50:50 split between capital and operational investment. This report advises that there are various delivery models but indicates that relationships with tier 1 contractors and consultants as holders of delivery programmes are of equal equivalence or arguably greater to water company programme engagement (Tier 1 is a description used to describe the framework partners appointed by water companies to deliver large elements of the regulatory programme).

This report points towards changes from previous investment periods, behaviors and innovation, blue green natural capital solutions and data driven leadership to achieve a net zero carbon industry. It provides information for additional reading and explanations to inform the strategies of Irish SMEs. At this stage of an investment period, information can change, and Enterprise Ireland has established and will maintain a push database of information for Irish SMEs as AMP7 progresses.

From reading this report, you should gain a greater understanding of the structure of the English and Welsh water and wastewater sector, including water utilities, tier one contractors, regulators, environmental agencies and water alliances. Along with these market insights, the report appendices highlight relevant industry events, provides up to date AMP 7 contract information and need-to-know names in the water sector. Combined, this report will help to give Enterprise Ireland client companies, i.e., the Irish supply chain, the best chance of succeeding in the English and Welsh water and wastewater sector.

2. Market Overview

The municipal water and wastewater sector in England and Wales is globally unique. Privatised companies provide water and sewerage services to over 50 million customers. The sector is independently regulated to ensure quality is delivered and funding is protected from political pressures. Ofwat is the economic regulator, The Drinking Water Inspectorate and Environment Agency represent quality governance and legislative direction, and the Consumer Council for Water represent customer interests. There is total transparency through consultation. Since privatisation in 1989, the sector has invested approximately £140 billion in its capital assets, through tightly planned and controlled 5-year investment programmes, known as Asset Management Plan (AMP) cycles. Operational budgets have previously been separated from capital, however, during AMP6 (2015-2020) the sector has been encouraged to consider a combined capital and operational approach to investment planning called total expenditure (Totex). The agenda is moving towards Botex (Base operational expenditure plus capital investment).

The total AMP6 (2015-2020) regulatory capital investment is estimated to have completed at £25 billion with 94% of this coming from the ten-major water and wastewater utilities in England and Wales. An increasing emphasis on wastewater treatment, and the Thames Water's Tideway Tunnel (DPC) which cost £4billion, has helped, increase this water industry spend during the period.

5-year AMP cycles have historically produced a boom and bust pattern of spending in the supply chain with work often concentrated in the middle of the spending period. The lull characterising the start and end of the AMP cycle has caused some firms with a major focus on the water industry to struggle in recent years. Ahead of AMP6 (2015-2020) the industry made attempts to alleviate boom and bust by setting up the Cyclicity Working Group. This led to the acceleration of early contractor involvement, tendering for AMP6 and long-term alliance frameworks with supplier contracts spanning five to ten years between a select number of engineering consultants and contractors frequently called Tier 1s.

The potential impact of Brexit on the sector are yet to be understood given the role the EU Water Framework Directive (WFD) has played in demanding long-term improvements to water quality up to 2027. However, on 30 January 2020, the UK government launched an [Environment Bill](#) which will be transposed as an Act in 2020.

Irish SMEs may wish to read section 5, where, the Bill states “We will ensure regulations ensuring protection of water quality do not become frozen due to the loss of European Communities Act 1972 powers and keep pace with scientific and technological knowledge after EU exit”. It also links with the UK’s 25-year environmental plan committed to delivering clean and plentiful water, avoid flooding and contribute towards a carbon net zero economy.

In December 2019, Ofwat announced their final determinations for the PR19 business planning process for English and Welsh water companies. The determinations are widely regarded as being challenging and four companies; Anglian, Bristol, Northumbrian and Yorkshire Water have chosen to appeal the proposed determinations with the Competition and Markets Authority (CMA). This is a unique position of appeal since privatisation in 1989 and appears to be based on affordability of the investment programme and to secure resilience to the impacts of climate change; company gearing; shareholder returns; reductions in customer bills over the AMP7 period and the impact on water company credit ratings. The CMA review process allows six months from the date of reference to complete, although this can be extended if the CMA needs more time.

A significant number of water companies have selected their tier 1 and framework suppliers for delivery across AMP7. However, there is an industry wide recognition that good ideas and innovation can be stifled by frameworks and that innovation often comes from agile, independent and smaller companies. There is evidence that opportunities are increasing with Tier 1s and an extended supply chain of tier 2 and 3 companies. Thames Water, the largest water and sewerage company, has yet to appoint AMP7 suppliers and is only just launching its procurement approach.

Although water utilities are the starting point for market entry, the model in England and Wales is largely that the Tier 1 contractors and consultants have accepted programme performance delivery and in fact, these Tier 1s are closer to the real programme and are therefore, the appropriate route to delivery. Enterprise Ireland are developing and maintaining a database of Tier 1 and water utility contacts. Included within appendix F are several water company and supply chain influencers which Irish SMEs may find useful.

This report stresses the growing importance of CO2 neutral solutions and the attractiveness of blue green solutions and developing natural capital in a future water society. Irish SMEs should recognise this. As frameworks focus on networks, capital maintenance and smaller capex projects, utilities are looking for organisations with self-delivery capability within the tender processes to officially prequalify firms to deliver their upcoming AMP7 investment programmes. English and Welsh water utilities are planning a total expenditure of around £51 billion from 2020 to 2025 covering capital and operational expenditure. This is referred to as ‘TOTEX’, however, a new language ‘BOTEX’ is emerging (base operating expenditure and capital maintenance).

This report does not specifically cover Scotland and Northern Ireland, however, it should be recognised that each devolved region has a similar yet slightly different structure to England and Wales. Scotland and Northern Ireland each have publicly owned organisations who are the sole providers of public water and sewerage services in their regions. In Scotland, this provider is Scottish Water, a state body with an annual turnover of £1.1 billion. Scottish Water has an investment programme totaling £3.5 billion over the capital investment period of 2015-2021. Similarly, Northern Ireland’s water and sewerage services are provided by a publicly owned organisation, Northern Ireland Water. Northern Ireland Water has an investment programme valued at £2.5 billion over the same 2015-2021 capital investment period.

3. Who are Ofwat?



Key People: Jonson Cox (Chairman), Rachel Fletcher (CEO), David Black (Senior Director of Water 2020), John Russell (Senior Director of Strategy and Planning)

Ofwat is a non-ministerial government department that was established in 1989 when the water and wastewater industry in England and Wales was privatised. It exercises its powers in a way that it judges will protect the interests of consumers, promote value and safeguard future water and wastewater services by allowing efficient companies to carry out their functions properly. As the economic regulator of the water sector in England and Wales, Ofwat's role is to help the sector build trust and confidence with customers and wider society. This means:

- provoking, challenging and where appropriate leading the sector, to ensure it has clarity on what customers and society expect
- overseeing how the sector is performing
- seeking assurance that service providers are acting efficiently, based on good information, a good understanding of the responsibilities and relationships they have and that they are maintaining a mature relationship with Ofwat
- being ready to step in, if service providers fall short
- using the right tools from their available toolkit to achieve the best results
- acting clearly and predictably

Since privatisation in 1989 the world, its climate, and population growth have changed, and the UK water industry has changed and reacted to different demands and an evolving economic regulatory model. More is required to combat drought, floods and resilience, meet customer expectations and accelerate innovation. Ofwat is transparent and consults widely on multiple topics, the regulatory process and the industry future direction. **All these consultations are easily accessible on the Ofwat website** with publications and links available through the Home Page of the site.

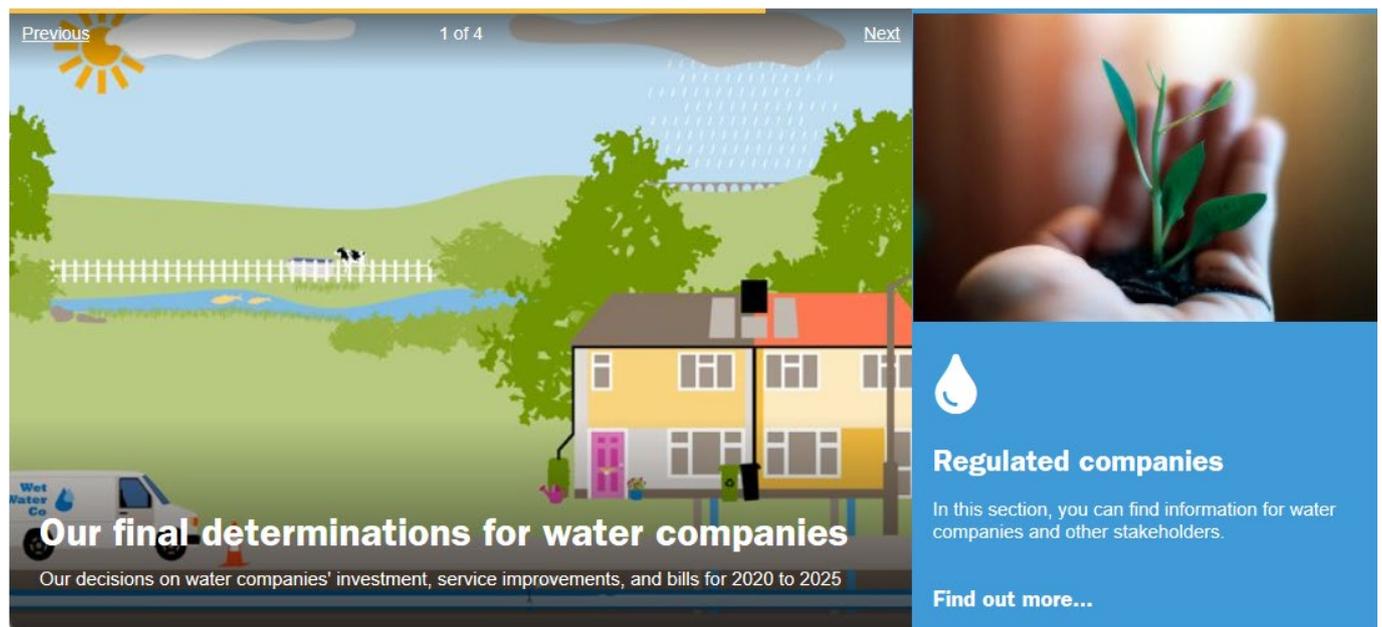


Figure 1. Part snapshot of Ofwat home page

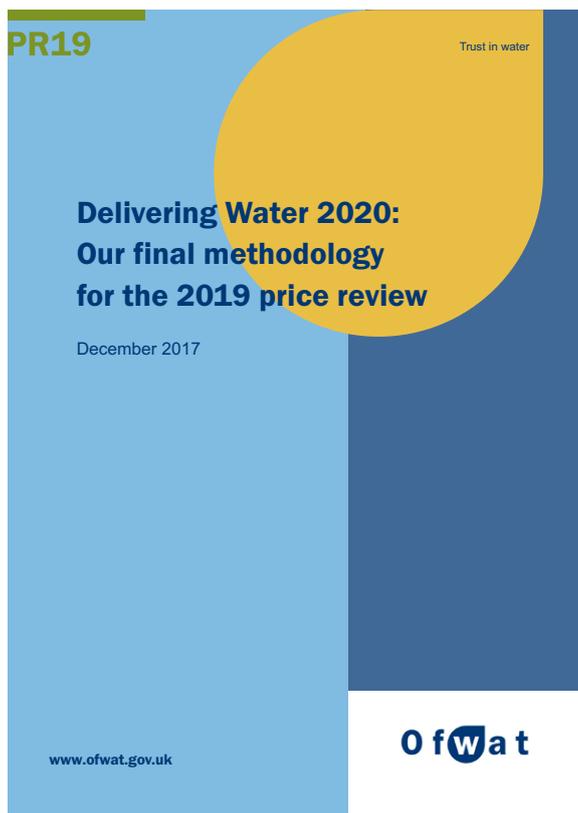
The English and Welsh water sector is entering a period of significant change and the following three documents tell the story:

i. Water 2020 Methodology and Foreword (Price Review 19 or PR19)

Across 2017, Ofwat consulted with Stakeholders and published their methodology and expectations in December 2017. This is an extensive document (290 pages) and is effectively the blueprint of expectation for a good PR19 business plan submission. The document emphasises expectations which cover great customer service with new measures of performance for Customer and Developer Measures of Experience (C-MeX and D-MeX); resilience in the round; innovation beyond boundaries; greater use of markets; 15% leakage reduction; and better use of data. It also expanded disaggregated price controls to cover: Water resources; Water network plus; Wastewater network plus; Bio resources; and retail.

Significantly, Direct Procurement for Customers (DPC) was introduced whereby any project or cluster which could be 'isolated' with a totex value of £100m or more should be considered for a Design Build Finance and Operate (DBFO) delivery through competitively appointed providers (CAPs). At the time there was insufficient clarity on the operational period which provided uncertainty and doubt. Now that the PR19 final determinations are published the operational periods are being indicated as 20 years plus which align with the global model.

This document can be downloaded from www.ofwat.gov.uk



Delivering Water 2020: Our final methodology for the 2019 price review

About this document

This document sets out our methodology for the 2019 price review (PR19) for the water and wastewater monopoly service providers in England and Wales.

The methodology sets out:

- our expectations and requirements for companies preparing their business plans to meet the needs of their customers from 2020 to 2025 and beyond;
- how these expectations form the basis for how we assess company business plans;
- the approach that we will use if we need to intervene in those plans to ensure that companies deliver the step change required by customers; and
- how our assessment will flow through into companies' price limits, service commitments and the wider incentive framework.

We consulted on our methodology in July 2017.

Figure 2. Delivering Water 2020 and extract of foreword

ii. Ofwat's Strategy and Foreword

Across 2018 and 2019, Ofwat developed its strategy for the future, which was published in October 2019. The complete document can be downloaded from [Ofwat's website](http://www.ofwat.gov.uk).*

In an era of climate crisis, more volatile weather, population growth and extremes of drought, water shortage and flooding there are untapped opportunities for water companies to integrate into their communities and deliver a positive impact. With rapid advances in data collection and analytics the water sector has ever greater insight into how it can benefit environmental quality, the community environment and to provide a wider public value.

The consultation developed three goals:

- To transform water companies
- To drive companies to meet long term, not near-term challenges
- For water companies to serve a wider purpose

Innovation is crucial to all three goals with cross sector and multi stakeholder collaboration. In its Water 2020 methodology, Ofwat has already launched an increased number of price controls covering: Water resources; Water networks plus, Wastewater networks plus; Bio resources and Retail (domestic and commercial) so that focus can be given to quicker advances in each price control. Ofwat is already having discussions with water companies about 15-year performance commitments and recognise that it is important that the industry develops people with the new skill sets the industry needs. DPC has been launched and adjustments will be made in PR24, and [Ofwat is trialing a one stop shop for innovation in 2020](http://www.ofwat.gov.uk).**



Foreword

Water companies support all aspects of life. Safe and reliable water and wastewater services are essential for our day to day lives, our wellbeing, and our natural world.

The need to deliver these services while keeping bills affordable is not new, but the scale of challenge for the future is. We face a climate crisis, more volatile weather, and population growth. We are already feeling the impact: there are areas where water resources are scarce, and others where there are frequent floods. At the same time people increasingly expect companies to act ethically and in the interests of the planet and society.

We want the water sector to seize this opportunity to restore the public's trust.

We cannot just muddle through. We need to act now to guarantee the future.

This strategy explains how we will drive progress in the water sector both now and over the longer term. It evolves and improves our existing approach, to make sure we are focused on sustaining progress over decades to come, not just for the next five years.

In Ofwat, we are setting ourselves up to achieve and equal the ambition of our new strategy. We will act confidently, with purpose and integrity. But we cannot do this on our own. We will join forces with regulators, governments, companies and civil society to deliver our ambition: for the water sector to provide the very best service for customers, improve the environment and improve life through water.

We are excited and optimistic that, as a sector, we can make a real difference. I look forward to working with you to achieve this better future.

Rachel Fletcher
Chief Executive



Time to act, together: Ofwat's strategy 3

Figure 3. Ofwat's strategy and extract of foreword

*<http://www.ofwat.gov.uk/publications>

**<https://www.ofwat.gov.uk/wp-content/uploads/2019/07/Time-to-act-now-driving-transformational-innovation-in-the-sector-decision-document.pdf>

iii. Transformational Innovation and Foreword

During 2019 Ofwat consulted on a future approach to improving and advancing innovation through a cultural shift and sharing of knowledge. This report, “Driving transformational innovation in the sector”, was published the same day as the PR19 final determination in December 2019. It aligns with the direction of the Ofwat strategy. It recognises the issues at large and commits to the creation of a £200m fund across AMP 7 for stimulation of a one stop shop for innovation in addition to individual water company innovation commitments. The funding is being raised proportionately within the final determinations and is visible in the FD data tables at less than £2 per customer per year. How the model will work is being developed in Q1/Q2 of 2020 and Enterprise Ireland have registered as an interested stakeholder on behalf of all client companies. There will be opportunities for clients to register as individual companies at intervals in the future. The complete document can be downloaded from the [Ofwat website](http://www.ofwat.gov.uk).^{*} The benefit for EI is to engage as there will be multi channeled funded support to develop new ideas, behaviors without the need for multiple initiatives.



Time to act, now: driving transformational innovation in the sector

About this document

In our new strategy, *Time to Act, Together* (October 2019), we highlight that innovation is crucial for meeting the profound challenges the sector faces in a cost-effective and sustainable way. These include the climate crisis, more volatile weather, and population growth. Water is critical to every aspect of our lives, and we need to make sure the sector can continue to deliver reliable, resilient and safe water that is affordable for all.

Our price review framework already promotes innovation by setting water companies stretching targets and allowing them the flexibility to adopt innovative means of delivering. And we have already seen some good pockets of innovation. However, we have yet to see evidence of the cultural shift we think is needed to drive truly transformational innovation and address key challenges at sector level.

There remain significant untapped opportunities for companies to work with each other, the supply chain and those in other sectors to trial and adopt transformational new practices and technology. In this document, we explain our decision to make up to £200m of additional funding available through an innovation competition for the next regulatory period, 2020-2025.

In the New Year, we will work with stakeholders to set up the innovation competition and design a detailed framework, consulting as required. We will also continue to reflect on the role regulation should play as an enabler for innovation. We will trial a one-stop-shop within Ofwat to provide informal regulatory advice to anyone looking to get innovations off the ground in the water and wastewater sector.

Figure 4. Transformation Innovation and extract of Foreword

^{*}<http://www.ofwat.gov.uk/publications>

iv. PR 19 Final Determination for AMP7 (FD)

Ofwat set high expectations of water companies for PR19, pushing them to improve their efficiency, customer service and resilience. The water utilities submitted their PR19 plans to Ofwat in September of 2018.

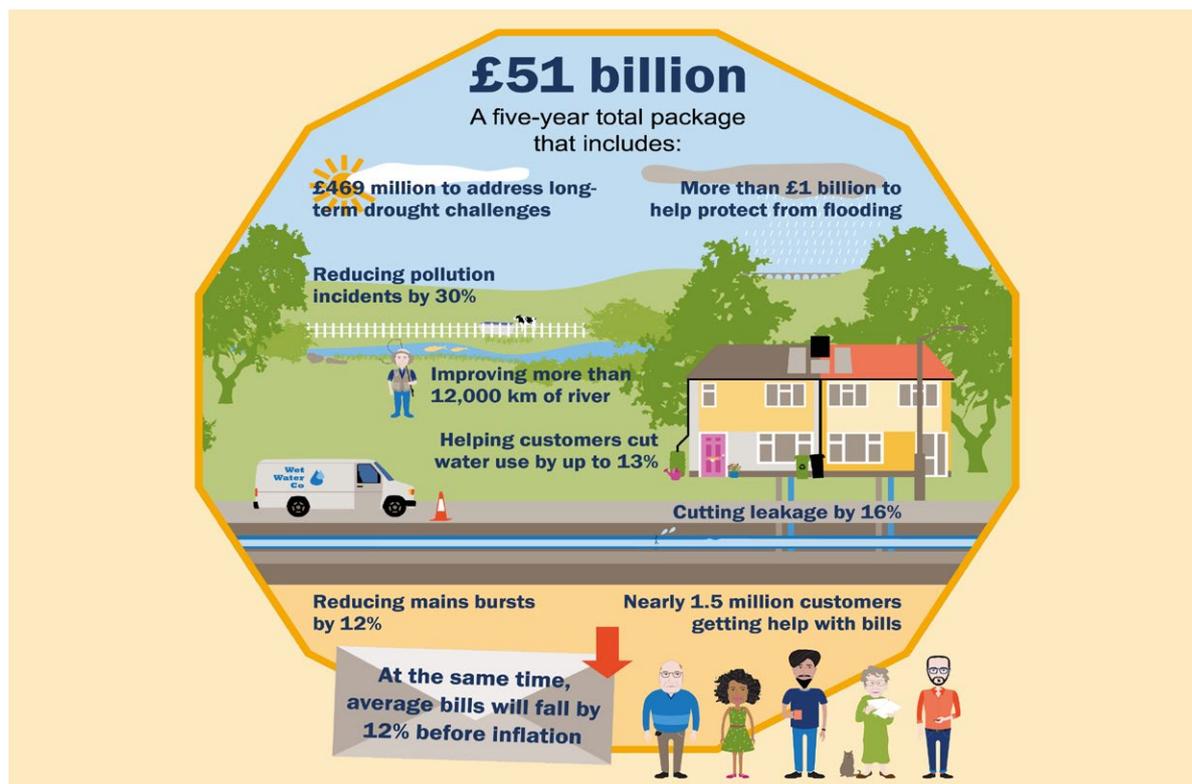
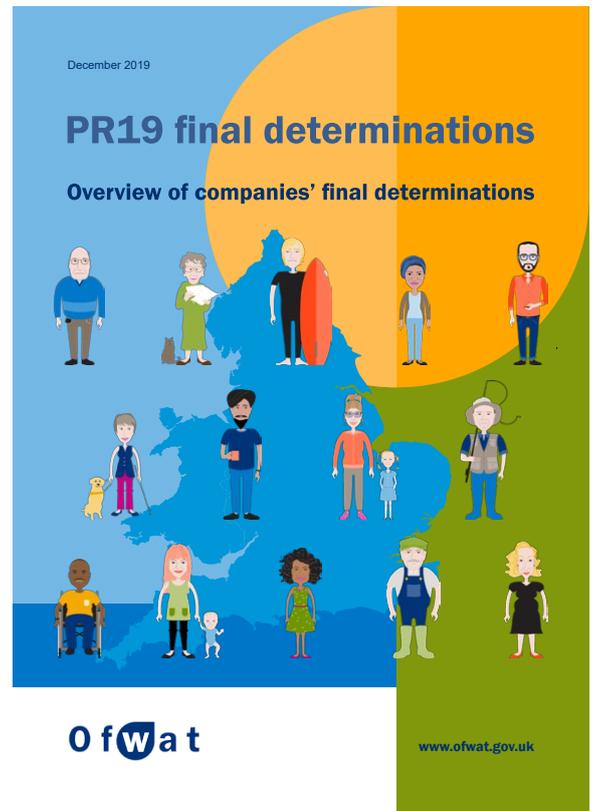
Three companies – Severn Trent Water, South West Water and United Utilities – submitted plans that set a good standard for the sector. Ofwat have given these companies the green light, so that they can get started on delivering their plans for customers. The remaining companies have been pushed to go further to achieve the expected standard

The water companies have revised and resubmitted their plans and the Final Determination was published December 2019.

Each Water and Sewerage Company has received a final determination which can be downloaded from the home page of www.ofwat.gov.uk. The summary determination for each company is about 90 pages and provides a route to the direction of outcomes Ofwat expect over the investment period. Pages 1 to 6 indicate high level values of investment and table 1.2 states and records targets and outcomes:

There are key industry wide common performance commitments:

- Base 15% leakage reduction (poor AMP6 performers have an increased target)
- Per capita consumption reduction
- Reduction in pollution events
- Reduction in internal sewer flooding
- Reduction in supply interruptions



This report points Enterprise Ireland client companies to the Direct Procurement for Customer (DPC) programme included in the Final Determinations (section 3.6) with identified opportunities listed as Appendix E to this report. DPC projects are discrete project solutions with a totex greater than £100m where companies must demonstrate consideration of a design build finance and operate procurement solution.

Developing the published methodology, the FD continues with the themes:

- Resilience in the round
- Environment – net zero carbon by 2030
- Great customer service using new measures, CMeX and DMeX
- Innovation
- Affordable Bills

The combined capital and operational expenditure and outcomes are illustrated in the graphic. Entwined within this investment period is the Water Industry National Environment Programme (WINEP) which involves a blend of end of pipe and catchment solutions (£5b).

The final determinations have identified 17 solutions across 9 water companies to address drought resilience in the south east as a result of changing weather patterns. The interconnector is a national solution to transfer water from the north west and Wales to the south east and will see water companies working with third parties such as the canals and rivers trust.

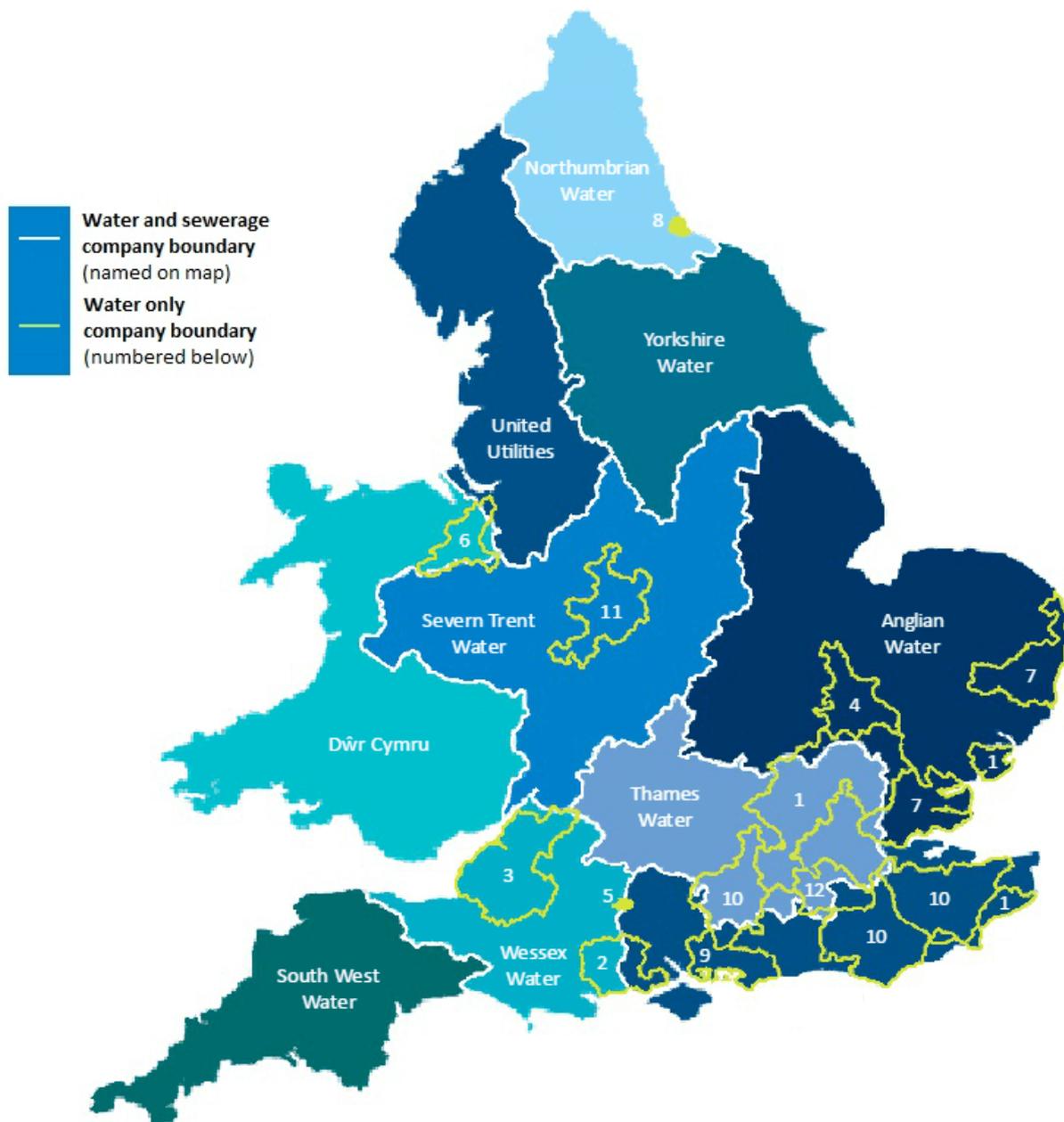
Ofwat has also announced they are working with the environment agency and drinking water inspectorate to establish RAPID (Regulatory Alliance for Progressing Infrastructure Development) to support companies work towards solving drought resilience challenges over the decade.

Appendix A - English & Welsh Water and Wastewater Companies

Index – 1. Affinity Water .2. Bournemouth Water (South West Water) .3. Bristol Water .4. Cambridge Water .5. Cholderton & District Water .6. Hafren Dyfrdwy .7. Essex & Suffolk Water .8. Hartlepool Water .9. Portsmouth Water .10. South East Water .11. South Staffs Water .12. SES Water.

There are 10 regulated water and wastewater utilities in England and Wales of which nine are in England plus Dwr Cymru Welsh Water. There are also 12 water only companies some of which are owned by the water and wastewater utilities and which are indicated on the map and index above.

Northern Ireland Water which is regulated by the Northern Irish Government, and Scottish Water which is regulated by the Scottish Government are not included in the detail of this report.



Anglian Water



Location: East of England
Key People: Peter Simpson (CEO), Stephen Billingham (Chair)
Staffing: 4,000
Customers Supplied: 6 million
Revenue: £1.3bn
www.anglianwater.co.uk

Anglian Water is a water company that operates in the East of England. Anglian Water supplies drinking water to parts of Bedfordshire, Buckinghamshire, Cambridgeshire, Essex, Lincolnshire, North Lincolnshire, North East Lincolnshire, Norfolk, Northamptonshire, Nottinghamshire and Suffolk. Anglian Water provides drainage and sewerage to a wider area stretching from the Humber in the north to the River Thames in the south, including the River Great Ouse and a small part of Greater London around Upminster. Anglian Water also own Hartlepool Water, a water only company.

AMP 7 Focus

- 30% increase in investment from AMP6
- Make the East of England resilient to the risks of drought and flooding
- Increase resilience in supply systems so that customers supplied by a single system are reduced from 46% to 14%
- Work with others to achieve significant improvement in ecological quality across catchments
- Be a carbon neutral business by 2050
- Enable sustainable economic and housing growth in the UK's fastest growing region
- 22% reduction in leakage by 2024/25
- Increased customer interaction
- No serious pollutions and reducing the number of internal sewer flooding by 24%
- No customers will be at risk of severe water restrictions
- Reducing the duration of water supply interruptions by 50%
- Develop 1No DPC scheme

Dŵr Cymru - Welsh Water



Location:	Wales and Western England
Key People:	Peter Perry (CEO), tba (MD), Martin Hennessey (Dir Capital Delivery),
Staffing:	3,000
Customers Supplied:	3 million
Revenue:	£756.7m
www.dwrcymru.com	

Dŵr Cymru Welsh Water (DCWW) is a company which supplies drinking water and wastewater services to most of Wales and parts of Western England. In general, it provides services across Wales from the catchments of the River Dee, River Clwyd in the north, round to the River Usk and River Wye in the south and everything to the west of these catchments. This means that it includes parts of Wirral, Cheshire, Gloucestershire, and Herefordshire. It excludes the area of Wales drained by the River Severn, which is instead served by Severn Trent. Welsh Water is the sixth largest of the ten regulated water and sewerage companies in England and Wales.

Since 2001, it has been owned, financed and managed by Glas Cymru. Unique in the water and sewerage sector, Glas Cymru is a not for profit company limited by guarantee and as such has no shareholders.

AMP 7 Focus

- Promise 1. Clean safe water for all.
 - Replace old pipes
 - Use technology to find and fix damaged pipes
 - Replace customer side lead pipes in 7000 homes
- Promise 2. Put things right if they go wrong
 - Reduce Leakage by 15%
 - Invest more to make sure their pipes and treatment works can withstand severe weather
 - Reduce the number of customers who suffer repeated 'hard to fix' problems such as low water pressure or sewer flooding by a further 250
- Promise 3. Safeguard the environment
 - By 2025 they will be producing a third of the green energy that they use from the sewage they treat, solar, hydro and wind power
 - Improve 400km of river water quality
 - Reduce pollution events
- Promise 4. Personal approach
 - Customer interaction and support for those who need priority support if services stall e. Using speech, digital and social media channels
 - Raise number of priority customers from 26000 to 100,000
- Promise 5. Sustainable and prosperous communities
 - Rainscape communities
 - Education program for children and development of visitor centres
- Promise 6. Fair bills for everyone
 - Invest £2.3b with 9% reduction in bills
 - Not for profit. Reinvest any extra money
 - Free water meters for customers in need

Northumbrian Water

Location:	Northumberland, Tyne and Wear, Durham and parts of North Yorkshire. Also, own Essex and Suffolk water.
Key People:	Heidi Mottram (CEO), Ceri Jones (Assets & Assurance Director)
Staffing:	3,100
Customers Supplied:	4.4 million
Revenue:	£821.6m
www.nwl.co.uk	

Northumbrian Water Limited is a water company in the United Kingdom, providing mains water and sewerage services. Northumbrian Water Limited (NWL) operates in the north east of England, where it trades as Northumbrian Water, and in the south east of England, where it trades as Essex & Suffolk Water.

NWL supplies water and sewerage services to just under 4.4 million people. Water is supplied to 794,000 properties in Essex & Suffolk, with water and sewerage services provided to 1.3 million properties in the North.

AMP 7 Focus

- Improving how they can move water around their regions to reduce the chance of customers' water supplies being interrupted
- Removing lead pipes to reduce the risk of harm to their customers
- Reducing the risk of flooding from sewers
- Making part of their wastewater network smart
- Doing more to protect their computer systems from the threat of hackers

Severn Trent Water



Location:	The Midlands and Hafren Dyfrdwy (formerly Dee Valley Water)
Key People:	Andrew Duff (Chairman), Liv Garfield (CEO) Helen Miles, Andy Smith, Bob Stear
Staffing:	8,500
Customers Supplied:	8 million
Revenue:	£1.8bn
www.stwater.co.uk	

Severn Trent was founded in 1974 as a regional, state-owned water authority based in the Midlands and are responsible for water supply management, and wastewater treatment and disposal.

They are located in the catchment areas of two of Britain's largest rivers - the Severn and the Trent. Their region stretches across the heart of the UK, from the Bristol Channel to the Humber, and from North and mid-Wales to the East Midlands. Severn Trent also own Hafren Dyfrdwy (formerly Dee Valley Water) which sits in the quality and compliance of the Welsh Assembly.

AMP 7 Focus (Nine outcomes detailed in business plan)

- Affordability
 - 5% reduction of bills in real terms
 - Identify and triple customers in need from 36,000
- A better service
 - 8% reduction in all forms of sewer flooding
 - 17% reduction in pollutions
 - 48% improvement in managing drinking water risks
 - 95% first time resolution of low pressure
 - Top quartile resolving supply interruptions
 - 15% leakage reduction
- Provide 24/7 multi-channel contact Centre
- Support development planning of NW to SE national water interconnector

Southern Water



Location: Southern England
Key People: Bill Tame (Chair), Ian McAulay (CEO)
Staffing: 2,000
Customers Supplied: 2 million
Revenue: £830m
www.southernwater.co.uk

Southern Water supplies water services to the south of England. The area in which they supply water and treat wastewater covers a total of some 10,530km² and extends from East Kent in the east, through parts of Sussex, to Hampshire and the Isle of Wight in the west.

AMP 7 Focus

- £3.5 billion investment in AMP7
- Deliver WINEP obligations
- Long term drought resilience
- Address deteriorating raw water quality
- Improve bathing water quality
- Meet lead standards
- 15% leakage reduction and 7.2% consumption reduction
- 33% pollution reduction, 33% reduction internal sewer flooding, 30% reduction external sewer flooding
- 19% reduction in supply interruptions
- 13% increase in renewable electricity
- Innovation to create sustainable communities
- Develop 3No DPC scheme

South West Water



Location: South West England and own Bournemouth Water
Key People: Sir John Parker (Chairman), Chris Loughlin (CEO), Matt Crabtree, (MD)
Staffing: 1,200
Customers Supplied: 2.2 million
Revenue: £573m
www.southwestwater.co.uk

South West Water is the water and wastewater service provider for a population of 1.7 million in Cornwall, Devon, and parts of Somerset and Dorset. Since 2016, it has also been providing water services in the Bournemouth Water region to a population of 0.5 million. They provide reliable, efficient and high-quality drinking water and wastewater services throughout these areas.

Their operations include 23 raw water reservoirs, 34 water treatment works, 18,233km of drinking water mains network, 651 wastewater treatment works and a 17,439km wastewater mains network.

Isles of Scilly. Looking to amend license to cover Isles of Scilly

AMP 7 Focus

- Deliver wastewater Water Industry National Environment Programme (WINEP) obligations
- Address the impact of deteriorating raw water quality discoloration and smell
- Improve network resilience, and drought resilience
- Reduce Pollution - By 2025 they'll ensure there are zero harmful pollutions. 58% reduction in pollution incidents, 24% reduction internal sewer flooding, 38% reduction sewer floods
- 35% reduction in water supply interruptions
- Help improve biodiversity and reduce carbon. 50000 hectares
- Reduce water consumption. 100% customers find bills affordable
- Reduce leakage by 15%

Thames Water



Location: Southern England
Key People: Ian Marchant (Chairman), TBA (CEO),
Brandon Rennett (CFO); Steve Spencer; Gregg Aspen; Andy Dunn
Staffing: 6,000
Customers Supplied: 15 million
Revenue: £2bn
www.thameswater.co.uk

Thames Water are the UK's largest water and wastewater services provider. Their service area stretches from the eastern fringes of Gloucestershire and Wiltshire in the west, through London and the Thames Valley, to the western edges of Essex and Kent in the east.

Thames Water regularly invest in innovation and have invested, on average, approximately £1 billion a year for the last 13 years in their network.

AMP 7 Focus

- Allowed revenue £10.3 billion
- Deliver WINEP obligations
- Large scale metering programme
- Resilience of water and wastewater services
- Supply demand balance to support long term drought resilience
- Reduce unplanned outages at water treatment plants
- Replacement lead pipe programme
- Provide water resilience to NE London
- Improve London water network
- 20.4% leakage reduction to account for underperformance in AM6, 6.5% per capita consumption reduction
- 30% reduction in pollution events, 36% reduction in internal sewer flooding
- 53% reduction in water supply interruptions to 5 minutes
- 9.3% increase in renewable energy from operational activities
- Disconnect 65 hectares from combined sewer network
- 2.5% increase in wastewater pumping station to 98.5% availability
- Develop new sources of groundwater
- Plan for an innovative wastewater reuse facility in North London
- Reduce leakage by 15%
- Install nearly 200,000 monitors in their sewer network to prevent flooding and pollutions
- Reduce sewer flooding in homes and businesses by 15%
- Reduce sewer blockages by 13%
- Replace over 700km of water pipes
- Reduce serious pollutions by 18%
- Improve resilience in times of extreme weather conditions
- Reduce the number of customers that experience no water for more than three hours by 5.6%
- Install around 700,000 smart water meters
- Improved customer services with more support for those who need it
- Educate every school-age child in their area about water and wastewater issues

United Utilities



Location: North West England
Key People: Dr. John McAdam (Chairman), Steve Mogford (CEO)
Martin Gee (Commercial Director),
Richard Ratcliff (Engineering Delivery Director),
Kevin Fowlie (Network and Cap Delivery Director),
Keith Haslett (Director of Wastewater Services)
Staffing: 5,000
Customers Supplied: 7 million
Revenue: £1.7bn
www.unitedutilities.com

United Utilities manage the regulated water and wastewater network in North West England, which includes Cumbria, Cheshire, Greater Manchester, Lancashire and Merseyside, which have a combined population of nearly seven million people.

AMP 7 Focus

- 10.5% reduction in real terms in average bills between 2020 and 2025
- Balanced outcome delivery incentive (ODI) package with range of outcomes estimated at plus or minus 2% of return on regulated equity across AMP7, equivalent to around +/-£410m
- Reduction of over £1bn in expenditure compared with AMP5
- Strategy of innovation with further advancements in Systems Thinking capability
- Delivering a major water resilience scheme with estimated construction costs of over £750m in AMP7 and AMP8 to be directly procured for customers in Manchester and the Pennines

Wessex Water



Location: South West England
Key People: Colin Skellett (CEO),
Paul Lewis (Director of Design and Delivery)
Staffing: 2,100
Customers Supplied: 1.3 million
Revenue: £541m
www.wessexwater.co.uk

Wessex Water, is a water supply and sewerage utility company serving an area of South West England, covering 10,000 square kilometres including Bristol, most of Dorset, Somerset and Wiltshire and parts of Gloucestershire and Hampshire.

AMP 7 Focus

- 1.4bn Investment Program
- 40% reduction in accidental pollution
- Reduce leakage by 15%
- Remove lead pipes from system by 2040
- Improve service resilience in extreme weather conditions
- 11% improvement in efficiency
- Improve customer service
- Ensure that there are affordable bills for all

Yorkshire Water



Location: Yorkshire
Key People: Kevin Whiteman (Non-Exec Chairman), Liz Barber (CEO)
Head of Commercial Services: Andy Clark; Nevil Muncaster,
Director of Asset Management
Staffing: 3,500
Customers Supplied: 5 million
Revenue: £1bn
www.yorkshirewater.com

Yorkshire Water is a water supply and treatment utility company servicing West Yorkshire, South Yorkshire, the East Riding of Yorkshire, part of North Lincolnshire, most of North Yorkshire and part of Derbyshire, in England.

The company's vision is "Taking responsibility for the water environment for good" and is supported by 6 areas of focus: being a trusted company; supplying safe water; creating water efficient regions; using excellent rivers, catchments & coasts for sustainable resources; and building strong financial foundations. They are successful in collecting, treating, and safely returning to the environment 1bn litres of water every day.

AMP 7 Focus

- 40% reduction in leakage from 2018 to 2025
- Reducing water supply interruptions from 7 minutes to 2 minutes per property
- Remove all surface water from sewers and recycle all wastewater to protect from sewer flooding and pollution
- 78% increase in renewable energy generation by 2025
- Cut Carbon footprint by 280kT Co2E by 2025
- 70% reduction in internal sewer flooding by 2025
- 50% reduction in pollution incidents by 2025

Appendix B - Tier 1 Contractors

Name	Nature of Business
Balfour Beatty Utility Solutions Ltd	Balfour Beatty Utility Solutions is a specialist business within the global Balfour Beatty Group, building utility infrastructure.
Barhale	One of the utilities industry's leading civil engineering contractors.
Costain	A leading UK construction company with a significant number of water contracts within the water and wastewater industry.
Clancy Docwra	The Clancy Group Plc is one of the largest privately-owned construction firms in the UK. In the most recent AMP period, they have secured a £700m water order book.
GallifordTry Water	GallifordTry are a market leader in the provision of construction services to the UK wastewater sector. Bringing many innovative solutions to the technological challenges of the waste and wastewater arenas and with experience of the planning issues, remediation challenges, treatment processes, construction execution and operation.
Kier	Kier Group plc is a UK construction, services and property group active in building and civil engineering, support services, public and private housebuilding, land development and the Private Finance Initiative. They won contracts with Anglian Water and Thames Water during AMP6.
Mott MacDonald Bentley	MMB is a tier one contractor for water companies across the UK.
Morgan Sindall	Morgan Sindall Group plc is a British based construction services business headquartered in London. They have capabilities in civil engineering, utility services, tunneling, and mechanical and electrical design and installation. Delivering a range of projects from small plants to major treatment facilities, they have delivered projects for customers including Severn Trent Water, Thames Water, Yorkshire Water, Dwr Cymru Welsh Water and Bristol Water.
Morrison Utility Services	Morrison Utility Services is a leading service provider within the electricity, gas, telecommunications and water sectors.
Murphy Group	J. Murphy & Sons Limited is a leading global, multi-disciplined engineering and construction company founded in 1951. Operating in the United Kingdom, Ireland and Canada, Murphy provides better engineered solutions to infrastructure sectors including transportation; water; power; natural resources; and construction & property. They specialize in pipeline construction and have won contracts with Thames Water under AMP 6 and Yorkshire Water and Wessex Water under AMP 7.
MWH Treatment	MWH is a global water and natural resources firm, providing technical engineering, construction services and consulting services.
nmcn	nmcn's scope includes design and project management of MEICA and turnkey works in the Water, Power, Rail, Defence and Industrial sectors. In addition to contracting services, Nomenca offer a range of high-quality wastewater and water treatment products and systems consisting of both standard, modular designs and client specific systems.
Peter Duffy Limited	Design and build clean and wastewater schemes - small to large multi-million projects, from UK water companies to the power industry.
Seymour Civil Engineering Contractors Ltd	Seymour Civil Engineering Ltd is one of the North East's leading civil engineering contractors.

Name	Nature of Business
Skanska	Skanska is a multinational construction and development company based in Sweden. Drawing on their capabilities in civil engineering, utility services, tunneling, ground engineering and mechanical and electrical design and installation, they can deliver projects across the water sector. They won contracts with Anglian Water, Thames Water and Welsh Water during AMP6
Wood plc	Wood provide consultancy, engineering and project management services to the oil & gas, clean energy, environment and infrastructure markets.

Appendix C - Water Industry Events 2020

Event	Date	Location	Link
WWT Smart Water 2020 Conference	11 March 2020	Hilton Birmingham Metropole	https://event.wwtonline.co.uk/smart/
Wet Networks London with Arup and WRc	11 March 2020	Arup 8 Fitzroy Street London W1T 4BQ	https://www.eventbrite.co.uk/e/wet-networks-london-online-digital-water-tickets-80842988555?aff=ebdssbdestsearh
UK Bottled Water Conference	24 March 2020	Congress Centre, London	http://www.waterindustryforum.com/member-services/events/water-industry-events/uk-bottled-water-conference/
Future of Utilities Summit	24 March	etc. venues, 155 Bishopsgate, London	https://marketforc-live.com/future-of-utilities/events/utilities-summit/?utm_source=google+search&utm_medium=cpc&utm_campaign=gza40+google+search
Introduction to the UK Water Industry Course	31 March – 1 April 2020	Camden House, Warwick Road, Kenilworth, CV8 1TH	https://www.futurewaterassociation.com/event/introduction-to-the-uk-water-industry-course-5/
WWT Leakage Conference	April 2020 – Date TBC	Venue TBC	http://www.waterindustryforum.com/member-services/events/water-industry-events/leakage/
Dwr Cymbru Innovation to Achieve AMP 7	2 April 2020	International Conference Centre Newport, Coldra Woods Newport, NP18 1HQ	https://www.futurewaterassociation.com/event/innovation-to-achieve-amp-7/
Institute of Water - UK Young Water Professionals Conference	15 April 2020	Cardiff University	https://www.instituteofwater.org.uk/events/
WIF TWENTY65 Conference 2020	28 April 2020	Hilton Hotel, Deansgate, Manchester	http://www.waterindustryforum.com/member-services/events/water-industry-events/twenty65-conference-2020-/

WIF Leakage Forum	April – Date TBC	Great Northern Hotel, Peterborough	http://www.waterindustryforum.com/member-services/events/water-industry-events/leakage/
WWT Water Security in a Changing Environment	6 May 2020	National Conference Centre, Birmingham	https://wwtonline.co.uk/Event/wwt-water-security-in-a-changing-environment
Water Industry Awards 2020	20 May 2020	Birmingham	https://waterindustryawards.co.uk/
Utility Week Water Customer Conference	22 May 2020	Inmarsat Headquarters London	https://10times.com/utility-week-water-customer-conference-london
Introduction to the UK Water Industry Course	23 - 24 June 2020	Camden House, Warwick Road, Kenilworth, CV8 1TH	https://www.futurewaterassociation.com/event/introduction-to-the-uk-water-industry-course-6/
10 th Global Leakage Summit	25 June	Amba Hotel, Marble Arch	https://www.waterbriefing.org/events/details/173-10th-global-leakage-summit
Wastewater Infrastructure: Solutions to septicity, FOG and smart network management	14 July 2020	The Hilton Birmingham Metropole, UK	https://conferences.aquaenviro.co.uk/events/conferences/wastewater-infrastructure-solutions-to-septicity-fog-and-smart-network-management/
Climate Change and Wastewater Treatment	15 July 2020	The Hilton Birmingham Metropole, UK	https://conferences.aquaenviro.co.uk/events/conferences/climate-change-and-wastewater-treatment/
European Wastewater Conference	14 – 15 July 2020	The Hilton Birmingham Metropole, UK	https://conferences.aquaenviro.co.uk/events/conferences/european-waste-water-management-conference/
Annual British Water Lunch	July 2020 – Date TBC	Venue TBC	https://www.britishwater.co.uk/events/networking-and-events.aspx?lstCategory=2
Future Resources	11 September 2020	NEC Birmingham	https://www.waterbriefing.org/events/details/179-future-resource
Wastewater Expo	16 September 2020	NEC Birmingham	https://10times.com/waste-water-expo
British Water Data Conference 2020	October 2020 – Date TBC	Venue TBC	https://www.britishwater.co.uk/events/networking-and-events.aspx?lstCategory=2
Future of Utilities Water	11 November 2020	Hilton London Tower Bridge, London, UK	https://marketforc.live.com/future-of-utilities/events/water/

Appendix D – Useful Industry Websites

Enterprise Ireland: www.enterprise-ireland.com

Ofwat: www.ofwat.gov.uk

Government: www.gov.uk for water and environmental email alerts

Defra: www.gov.uk

Water Industry Commission, Scotland: www.watercommission.co.uk

Northern Ireland Utility Regulator: www.uregnigov.uk

Environment Agency: www.gov.uk organisations/environment agency – email alerts

Natural resources Wales: www.naturalresourceswales.co.uk

Drinking Water Inspectorate: www.dwi.gov.uk

Consumer Council for Water: www.ccwater.org.uk

Canal and River Trust: www.canalrivertrust.org.uk

WWT : www.wwtonline.co.uk

Water Briefing: www.waterbriefing.org

Water Report: www.thewaterreport.co.uk

Project 13: www.p13.org.uk

Canal and River Trust: www.canalrivertrust.org.uk

Construction News: www.constructionnews.co.uk

Utility Week: www.utilityweek.co.uk

Global water intelligence: www.globalwaterintel.com

National Infrastructure Commission: www.nic.org.uk

UK Water utility company contact websites are available through the Ofwat, WIC and NIUR websites and held by EI for client members within Appendix A and Appendix F.

Appendix E - Direct Procurement for Customers (DPC) – AMP 7

Evolution

DPC was first referenced in Water 2020 Methodology published in 2017. Despite initial skepticism by the water companies the model developed and was referenced in Ofwat strategy published October 2019 and again in Ofwat Innovation published December 2019.

In PR19 Final Determinations published 16 December 2019 Ofwat states United Utilities will use DPC for outcomes in a long term £750 million project to ensure the resilience of Manchester’s water supplies. Anglian Water, Affinity Water, Dwr Cymru, Southern Water and Bristol Water will progress another five projects during 2020-25 and Ofwat anticipates between three and six projects could be procured by DPC by 2025.

Details of contracts rewarded will be updated by Enterprise Ireland in real time and can be accessed through the following [link](#).*

Contracts Rewarded

Appendix F – Industry Contacts

Details of UK industry contacts will be updated by Enterprise Ireland in real time and can be accessed through the following [link](#).* When using this list you must comply with regular GDPR guidelines.

Industry Contacts

Appendix G – Push Database

Enterprise Ireland will continue to update client companies on valuable UK industry contacts and updated DPC information. All of this will be available through the Enterprise Ireland UK water sector push database and can be accessed through the following [link](#)**

Push Database

*https://entirl-my.sharepoint.com/:f:/r/personal/cstone_enterprise-ireland_com/Documents/Enterprise%20Ireland%20UK%20Water%20Cluster?csf=1&e=IDMSNn

**https://entirl-my.sharepoint.com/:f:/r/personal/cstone_enterprise-ireland_com/Documents/Enterprise%20Ireland%20UK%20Water%20Cluster?csf=1&e=y3u72S

About Enterprise Ireland

Enterprise Ireland is the government organisation responsible for the development and growth of Irish enterprises in world markets. We work in partnership with Irish enterprises to help them start, grow, innovate and work across global markets. We also work with international partners to help serve their growth needs by matching them with relevant Irish companies.

www.enterprise-ireland.com/en

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Contact

Enterprise Ireland:

Conor Stone, Cleantech Market Executive, London

conor.stone@enterprise-ireland.com

+44 (0) 207 438 8712

Darragh Cotter, Senior Market Advisor, London

darragh.cotter@enterprise-ireland.com

+44 (0) 207 438 8713

Enterprise Ireland

Shaftesbury House

151 Shaftesbury Avenue

London

WC2H 8AL

www.enterprise-ireland.com

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