## Presentation Transcript

**Rachel Wright (she/her), Ofwat**: I’ll talk about the Fund and then, as I said, I'll hand over to Catherine and to Sophie who will talk in more detail about the high-level design elements of the competition, and then we've got a Q&A session at the end, so if you've got any questions, please jot those down in the chat.

So, moving on a slide, you will be aware that last year Ofwat decided that it would make available £200 million to the water sector to facilitate innovation between 2020 and 2025.

This year has seen us launch our first competition, the Innovation in Water Challenge, which went live in January, and we are finalizing the successful projects for that at the moment.

Our second competition is a much larger one, which we are calling the Water Breakthrough Challenge. This is going to be launched on the 6th of May and we'll talk a little bit about timescales later on in the presentation.

The main difference between these two competitions is the size of the prize that's available. The IWC saw us award projects up to 250K, with a total pot of £2 million and for the Breakthrough Challenge we've got up to £14 million available so there's a lot more on the table.

We are still hoping to run another Breakthrough Challenge competition and IWC before the end of this financial year. When I talk about this financial year, I mean starting April, and there’ll be more details coming out about those as well, so we are continuing this delivery of competitions throughout the five year process.

Just to recap, some of the things that we said for our Innovation in Water Challenge was that enablers of innovation remain really, really important to see the sector move forward in its capability and capacity to innovate. These remain fundamental for our Breakthrough Challenge competition as well.

And so the Fund does support initiatives that will demonstrate and further strengthen these enablers which you can see on the slide. They include openness, adaptability, managing risk, scalability and the ability to deploy innovations across the sector.

Collaboration, working in partnerships remains really, really important, and then, of course, having a long term view. We aren't just wanting to see things that are business as usual and are delivering on water companies’ current commitments in this cycle.

So these are going to remain fundamental characteristics of the projects that we want to fund through the May competition [the Breakthrough Challenge] and you'll see some of these themes flow through the way in which our assessment criteria is designed.

Just to recap on our five strategic themes: for this competition we're keeping these fundamentally the same and we are equally interested in the same projects across all five themes, whether that's meeting just one or more than one.

We have talked in the past about narrowing down the competition to focus on one or a couple of themes. We're not doing that for the Breakthrough Challenge and we're open to projects across the five themes so that's a really important design element. We are continuing to keep a watchful eye on the types of projects that we get through this competition. And that will be a guide for the way in which we design future Breakthrough competitions, but for this one all five are still on the table, we want and expect you to be considering projects that meet one or more of those themes.

I'm now going to hand over to Catherine, who will talk through more of the high level design elements of the Challenge. Catherine.

**Catherine Thompson (she/her), Nesta Challenges**: Thank you very much, Rachel. So, as Rachel mentioned earlier, the Water Breakthrough Challenge, we’re very excited to be opening for entries on the 6th of May this year and the first phase will last until the 3rd of June.

It is an opportunity for you to win up to £10 million to support, kickstart, grow and scale initiatives that are innovative and go beyond business-as-usual innovation, building partnerships from within and outside the water sector that really critically deliver a tangible benefit to customers, society and environment within the project period.

And it's this kind of one of the key ways it is quite different in terms of we're looking for that real, tangible benefit, and I’m gonna actually go through this in a bit more detail, looking at the assessment criteria as well, which is what projects we're looking for.

So we've got a two-stage entry period, and the real aim of this two-stage entry period is to ensure that we invite projects with the best chance of receiving funding to kind of come through to a second stage and really make it as accessible as possible, and particularly for smaller companies.

The first day of entry will open on the 6th of May, which will then open for four weeks until the 3rd of June. Within this first phase, we’ll be really looking for how well entries meet the first two categories for assessment criteria, which are positive impact for water customers, society and the environment, and innovation enables and innovative solutions. So we’ll be asking entrants, so you, to have a really clear description of how your entry meets the core elements of the assessment criteria. You won’t be required to provide really detailed evidence at this stage, but we’ll also be seeking really high level information on the third criterion, or capacity, capability and commitment to deliver, particularly focusing on total project cost and partnership arrangements as part of that kind of first screening stage.

Following that screening stage, it will be assessed by a team of technical assessors from Arup and then the most promising entries in a really diverse portfolio, following moderation, will be invited to Stage Two, which will open on the 28th of June 2021.

This second stage will be five weeks, with a really detailed look and quite a lot longer entry forms required for the second stage. And really the entries that will be invited to the second stage will be the ones that we do see a realistic and significant promise in terms of how likely they are to receive funding. It will be a much longer entry form you’ll have to fill in at that stage, which is why we will set up a slightly longer period, and that will close on the 30th of July 2021, then giving us August and September to have a second stage of assessment. And again a really detailed technical assessment in that second stage, followed by a judging period and judging panel, who will ultimately review and recommend to Ofwat a set of entries to be awarded the £40 million. Ofwat will make the ultimate decision based on the recommendations from the judges. And then the winners will be announced at the end of September 2021.

So, following that entry period we do recognize that there's a mobilization period. And so we expect the majority of those projects to start within six months of notifying people you have received funding. However, we do understand that especially complex projects may require a slightly longer mobilization period.

So just to reiterate what you can win, there is a £40 million prize fund for this round, and we anticipate that we will aim to really disperse that £40 million, but there is uncertainty that entries will be kind of a very different ranges between £1 and £10 million, and so even if we’ll be very much aiming for around that 40 million point, we might be slightly below or slightly above. You are welcome to bid between £1 and £10 million per entry and then we'll come on to this extra 10%, and the 10% will be on top of that, so in addition to the amount you're requesting from the Fund.

Smaller value bids from small water companies, including NAVs, will be considered, so please do get in touch with us if you'd like to bid for a small amount, less than 1 million pounds from this fund.

I’m now going to hand over to Sophie to go into a bit more detail about the assessment criteria.

**Sophie England (she/her), Arup**: Great thanks Catherine, so these are the three high-level assessment criteria, as some of you might recognise as they align with the IWC, the first of which is the positive impact for consumer society in the environment, the second innovation enablers and innovative solutions, and the third is capacity and capability and commitment to deliver.

The first one of those is basically focused on what impacts and benefits will the projects deliver especially to customers, society and the environment. So the first thing a strong project would show is alignment with the five Ofwat themes Rachel's just described, and it will ensure that the project addresses a key need or opportunity for customers, society and the environment, and that the project will deliver significant benefits and have a clear plan for delivering those benefits.

The second one is focused on what's novel about the proposed approach and or solution, and how can it deliver a positive sector wide innovation legacy. So strong projects will show how the project is innovative and goes beyond business as usual, both in terms of what you propose to deliver and how you propose to deliver it, and how the project supports innovation enablers in the sector. Projects can be focused on testing new ideas, adapting ideas from the sector, or adopting proven ideas at scale and we're also looking at how the project risks will be considered as well as opportunities like learning and knowledge dissemination.

And the final one, this is basically the capacity, capability and commitment to deliver is our request that you show how the proposed entry is feasible and that there is appropriate resources and governance in place for its delivery. So that means that strong entries would show that the delivery plan is achievable, and would show milestones and monitoring of progress. It'll also show how the team has appropriate skills and experience to deliver the project, as well as the partnership arrangements involved. And they will also provide a realistic cost breakdown, financial plans, risk and contingency arrangements. Thanks, Catherine.

**Catherine Thompson (she/her), Nesta Challenges**: Fantastic, thank you very much Sophie. And just in terms of who can enter. This is a very similar slide to the previous Innovation in Water Challenge in the fact that any water company including NAVs in England and Wales can enter, and that's to be really clear so water and water-only companies, and then any partners that they choose to work with, so that can be a group or consortium or a partnership. And very much any organization can partner with a water company and that includes, for example, local councils or water retailers are going to be kind of partners within that as well, in terms of who can enter.

So just to really clarify in terms of how to enter, so there will be an online entry form, and that will be available from the 6th of May 2021 at 9am. Sorry, there's a small typo here, but it’ll be there from 9am on the 6th of May and for a four week entry period until the 4rd of June at 12 noon. That entry form will be via online entry materials, we will also provide a Word document so you can collaborate with any partners before submitting that online entry form. We’ll also be providing the entry questions to the second entry period on that day, on the 6th of May. You won’t be able to submit those details, but we’ll have a Word document for you to be able to start drafting or have a deeper understanding of what to expect in terms of the questions if you are invited around to the second round.

And so the second round, if you're invited to that round, will open on the 28th of June, where we'll ask you those extra questions and you'll have five weeks to work on that second round entry. The link to the entry form will be available on this link, which is waterinnovation.challenges.org/breakthrough/get-involved, but please do note that that it’s not available now, and will not be available until the 6th of May at 9am.

So we also want to highlight a couple of requirements that will be required of successful entries. These will be reflected in the Terms and Conditions which will also be published on the 6th of May, but just to be really aware: there will be some requirements that the use of funding, how you use the funds and making sure that this is recognized as customer money, and therefore it should to kind of show exceptional value for money and that you should use money in line with the proposal that you’ve put forward.

It will include some more details around a template financial contribution, we have also registered some feedback we received about how it's not very clear around how the 10% should be formed, and include a lot more details than the information we published last week; we’d also welcome any questions on that. And it will include things about the monitoring and reporting requirements, in terms of monitoring the project that you put through.

Intellectual property rights - we haven't changed the position from intellectual property rights from the first round of the Innovation in Water Challenge, but please do let us know if you do have any questions or concerns around intellectual property.

It will also include information about publicity, and that's particularly around publicity for winners and how we want to make sure that we're promoting and sharing the excellence of the winners that come through.

Conflicts of interest if you do have multiple projects, and also then the settlement arrangements, so how you’ll receive the funds and how those funds will be shared through a collection of customer money, and then shared it out to winning entries as comes out of the Fund.

In terms of how we’re setting you up for success and the support you can expect, we'll be looking at running a number of other webinars and events throughout the entry period to really support you to put in the best quality entries, and if you do have any kind of questions or requests in terms of things that you’d find really useful, please do let us know by writing in the chat, and also you can email us at [waterinnovation@nesta.org.uk](mailto:waterinnovation@nesta.org.uk).

We're looking to make sure we can provide as much support as we can in terms of those wider events. We’ll also be reusing some of those we used in the IWC, which are 15-minute one-to-one surgeries which we will have available to sign up to at least a couple of days each week. So please do let us know if you'd like to sign up for a one-to-one surgery, and also, if you can't get a slot, please do let us know, and we can look at adding additional one-to-one surgeries on as well.

Right now, you can go and use the Find a Partner page on the website, which I do highly encourage you to do so, particularly if you're new to a sector. You can use that page to find connections into the water companies, but also for water companies to find a route to speak to others as well.

From the 6th of April, we will ensure that we publish an Entrant Handbook which will have all of the information you need to prepare your entry into the Challenge, and that will really be a single source of truth where you can go to and be reassured that all the information is there. We'll then be duplicating a lot of that content on the website, but it's kind of easier to navigate for people who have different and alternative needs. And we'll be having another webinar as soon as we launch to go through that content, again it's more for people who want to understand and access information differently. If you do have any reasonable adjustments that you would need you to, any personal requirements, please do let us know, and we can look at how we can support any reasonable adjustments for people to enter as well.