



Water
Efficiency
Lab

WEL 1 Launch Webinar and live Q&A

Wednesday 3 December 2025





Water Efficiency Lab Delivery Team – Who We Are



Water Services Regulation Authority, has oversight of the Water Efficiency Lab (as part of Water Efficiency Fund).



Administers the Water Efficiency Lab on behalf of Ofwat. First point of contact for all enquiries.



Delivery partners on the WEL 1 competition.



Who you will hear from today

Jude Noro
Policy Lead,
Water Resources



Nicola Tulk
Design Lead



Alexandra Wu
Assistant Programme
Manager



Pranoy Dias
Senior Consultant





What we'll cover today

- Introducing the Water Efficiency Lab
- WEL 1: Actionable Insights
- How to enter, funding amounts and entry requirements
- What's expected of successful entrants
- Assessment process & assessment criteria
- Entrant support
- Q&A (via Slido)
 - Scan the QR code with passcode: **#WEL1launch**
 - Or go to Slido.com and use code: **#2927720**

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Introducing the Water Efficiency Fund

England and Wales face an urgent water shortfall



Est. deficit: 5 billion litres per day in England by 2055



Reductions in demand to 110 litres per day by 2050



Established by Ofwat in 2025 to drive a **transformative, sustained, and measurable reduction in public water demand** across England and Wales. Its **£100 million fund** will be split into two streams...



£75 million allocated to promote behaviour change that encourages people and businesses to use less water



£25 million to fund the development of new technologies and processes for water efficiency



The Water Efficiency Lab

As part of the Water Efficiency Fund, the **Water Efficiency Lab (WEL) is a new challenge-led competition** to attract the most innovative solutions to specific water efficiency challenges and unlock progress on water efficient technology, processes and approaches.

WEL 1 focuses on the challenge of **providing water customers with actionable insights** to help them understand and reduce their water use.

Up to £5 million will be available in WEL 1.

A total of £25 million available through **annual rounds between 2025-30**.



What we're looking for – Actionable Insights

The WEL will operate as a **competitive innovation fund**, setting **challenges** to direct innovation where it is needed and attract and award the best solutions to these challenges each year.

The theme for the first competition is:

Actionable insights – using data to inform customers and change behaviours



What we're looking for – Problem Statement

Water customers:

- Lack granular, timely data on individual usage.
- Don't know where water is being used, wasted, or used inefficiently.
- Lack insights and tailored suggestions to interpret and reduce usage.

Smart meter application:

- Presents a key opportunity to provide customer with usage data and insights.
- However, it remains unevenly distributed.

Digital services on water:

- Are fragmented, with a lack of unified platforms
- Lack granular, fixture-level information from specific uses (e.g. appliances, gardens).
- Don't show the broader picture and impact of savings across energy and water.

Innovation is needed to:



- Enhance the benefits of smart meters through **better customer-facing solutions** and behavioural mechanisms, and
- Increase the availability of **granular water usage insights**, including for properties without smart meters.



What we're looking for – Challenge Statement

We are calling on innovators to develop innovative solutions which deliver tailored water usage insights that drive a reduction in water consumption for households and/or businesses in England and Wales.



What we're looking for – Example Solutions

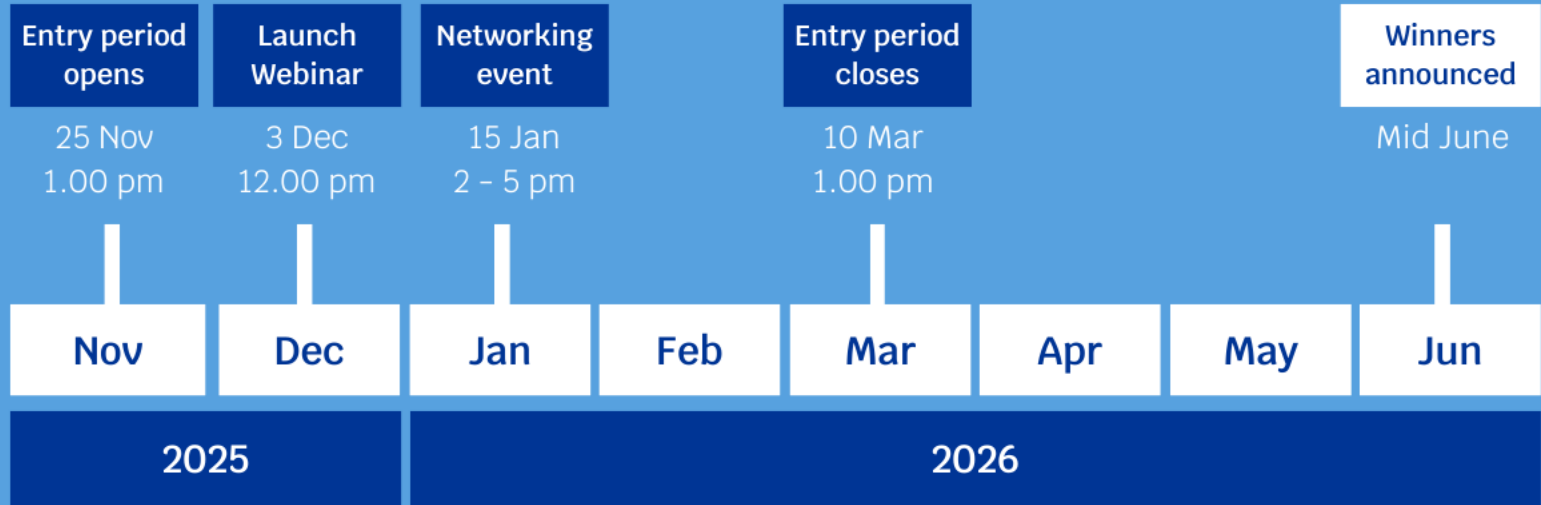
- Developments to planned customer-facing solutions that provide deeper insights from existing smart meter data, combined with real-time behavioural nudges and incentives. E.g. linking insights to water usage during extreme weather conditions, or using social norms and business benchmarking to shape incentives
- Granular monitoring systems for fixture-level usage tracking (showers, taps, outdoor use)
- DIY sensors kits for mass deployment across households and businesses
- Alternative monitoring solutions for unmeterable, hard to meter and low priority for metering properties
- Combined leak detection and consumption tracking systems with built-in behavioural feedback
- Unified platforms that integrate data from various sources, such as different types of hardware or energy sources.



WEL 1 Timeline



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Who can enter?

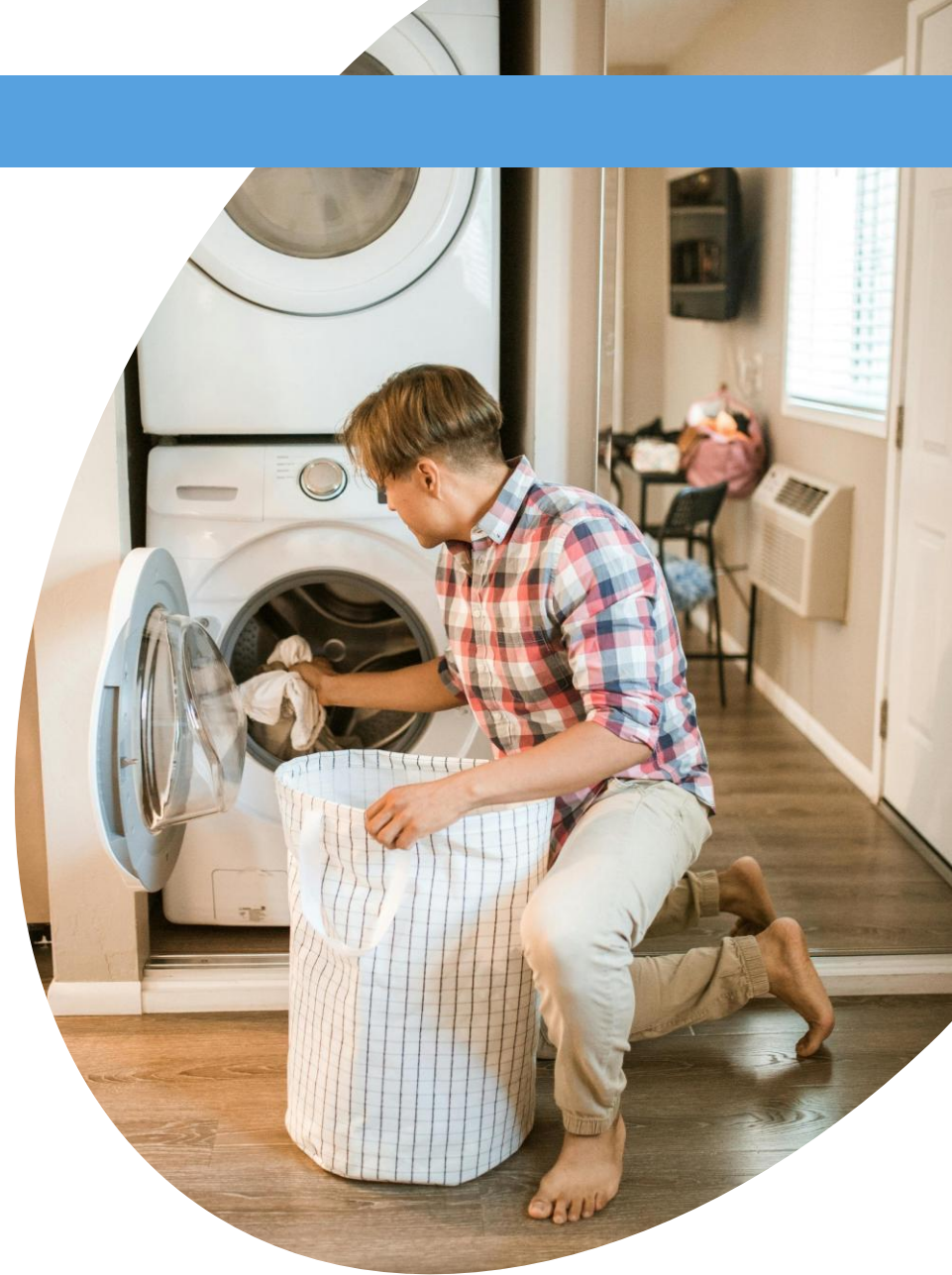
WEL is open to a range of innovators

For example:

- **water companies**
(including wholesalers, NAVs and water retailers)
- **behavioural science firms**
- **tech companies**
- **software developers**
- **hardware manufacturers**
- **consultancies**
- **non-profit organisations**
- **universities**

Eligibility criteria

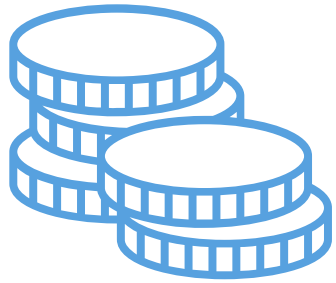
- Lead entrant must be a UK-incorporated entity and hold a UK business bank account upon entry
- Entrants must agree to comply with Terms and Conditions, and must not have conflicts of interest.





What you can win – Funding amounts

Individual entries will be able to request between:



£150,000 – £1.5 million

Entries between £100,000 – £150,000 are also welcome provided they are digital-led and will complete within 12 months.





How to enter and entry requirements – Match funding



=

90%
from WEL 1

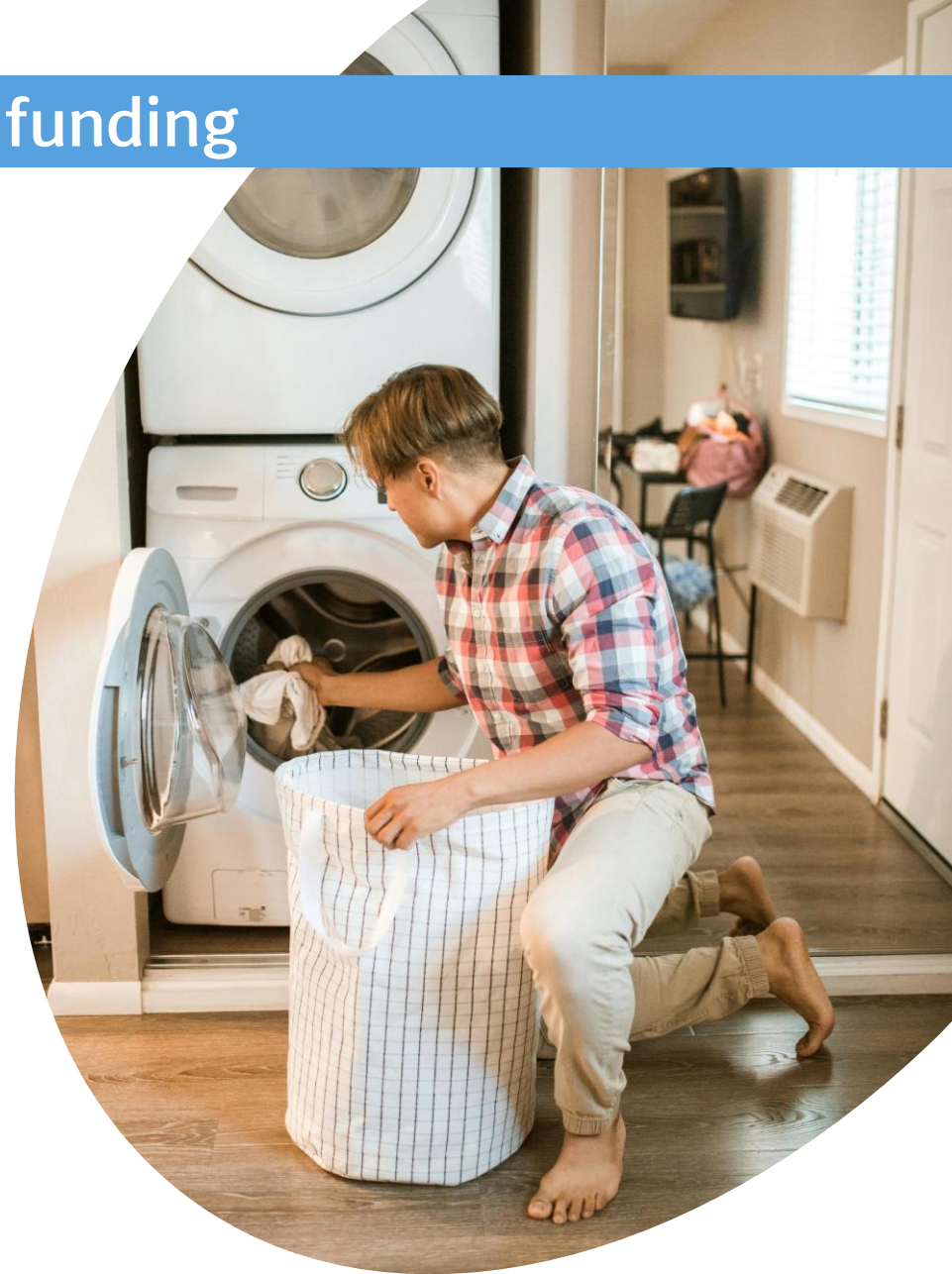
+

10%
from entry
partners

Organisation	Contribution
Wholesaler water companies, inc. New Appointees or NAVs	Financial
Water retailers, SMEs, universities and charities	Financial OR In-kind (e.g. staff time, asset use, donated services)

Partners on an entry can contribute a share of the mandatory contribution.

Match contribution must not be funded by charges to water customers in England and Wales.

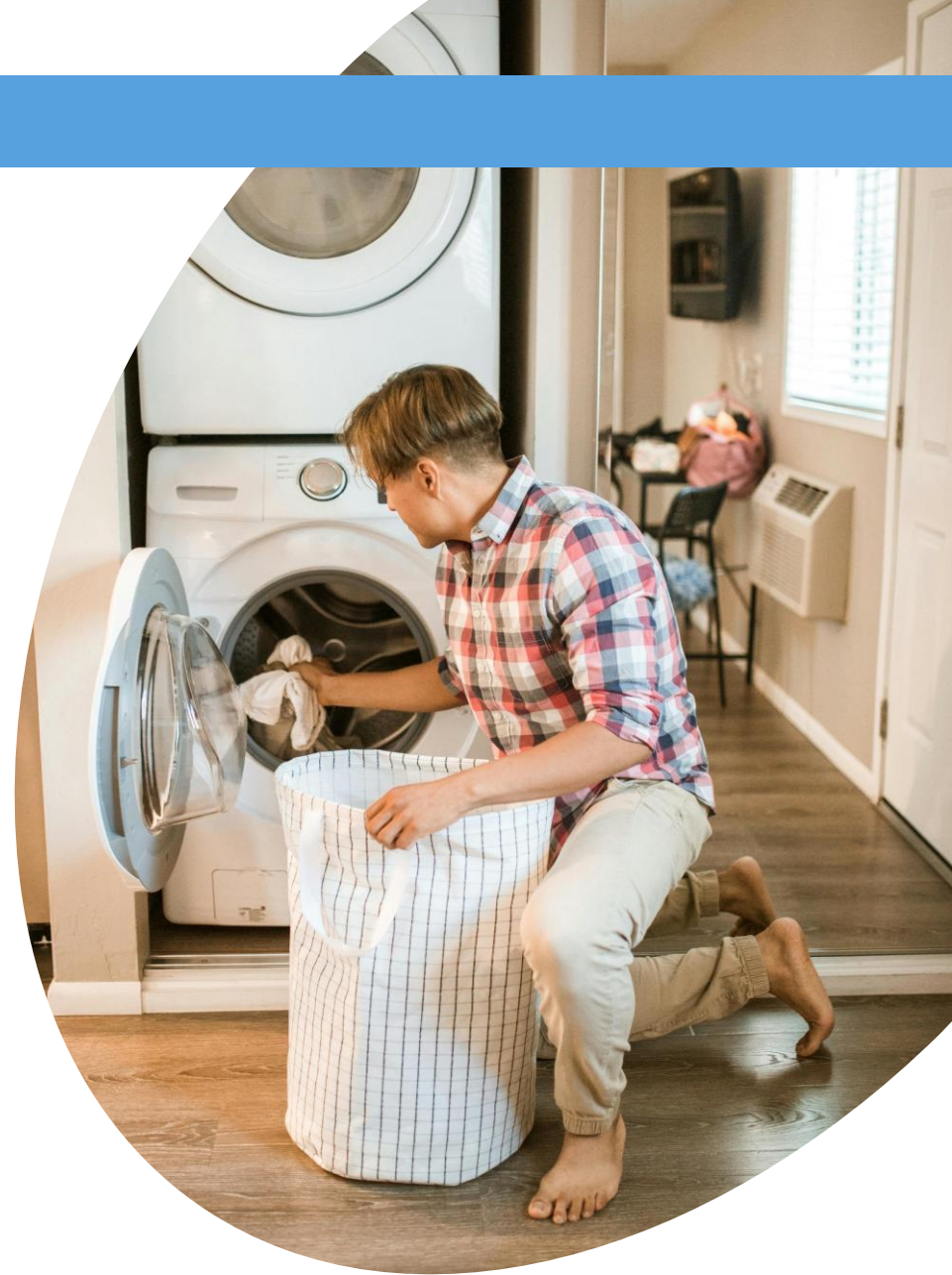




How to enter and entry requirements – IPR



WEL 1 winners will retain full ownership of Intellectual Property Rights (IPR) with no requirements to provide royalty-free licences.





What's expected of successful entrants?

If your entry is successful in receiving funding, your team is expected to:



Sign a winner's agreement and commit to use the funding received for the purposes set out in your entry;



Undergo **due diligence** processes as required by the delivery team;



Participate fully in the **monitoring and evaluation process** and activities required by Ofwat and the delivery team;



Engage with **communication opportunities** to promote your participation in WEL 1 as requested by Ofwat and the delivery team

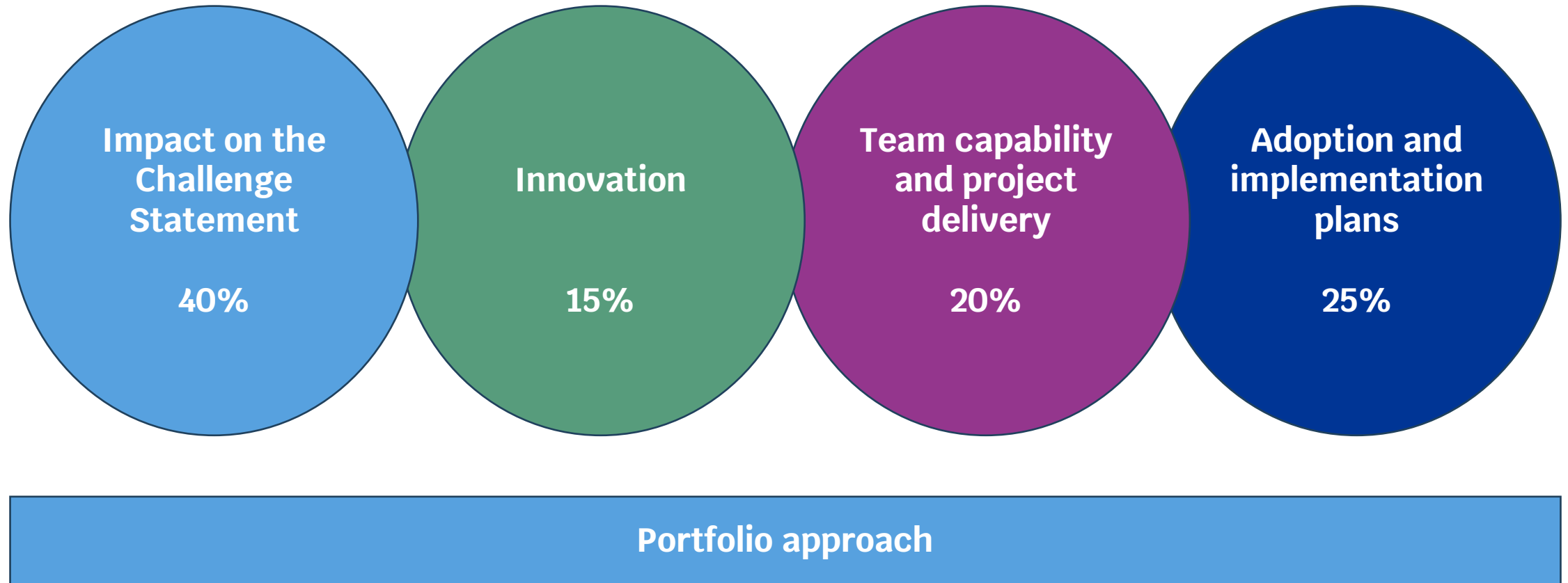


What we're looking for – Assessment Process





What we're looking for – Assessment Criteria





Assessment Criteria: Impact on the Challenge Statement (40%)

Across the WEL, we define impact as a positive impact for water customers, communities and the environment that contribute to transformative, sustained and measurable reduction in water demand. Specifically for WEL 1, we are looking to understand whether the solution provides customers in England and Wales with:

Assessment Category 1 – Impact	40%
Tailored, actionable insights that enable them to identify specific opportunities to reduce water use	8%
Motivation to change their water usage behaviour through credible mechanisms	8%
The potential to deliver significant water consumption reduction based on proposed insights and behavioural changes	8%
The potential to maintain customer engagement and sustain behaviour change beyond initial implementation	8%
How solutions will contribute to the sector's understanding of effective approaches to customer insights and demand reduction.	8%



Assessment Criteria: Innovation (15%)

The solution goes beyond current approaches, market offerings and sector practices. The solution demonstrates that it is not just different but substantially better than existing approaches.

Innovation can refer to any new or significantly improved technology, process, service or business model. Specifically, the WEL is interested in supporting ambitious solutions that are novel in the context of the water sector in England and Wales, with strong entries demonstrating:

Assessment Category 2 - Innovation	15%
A novel approach with greater value than current solutions	10%
Clear additionality, articulating how competition funding would enable development or trialling at scale that would be unlikely to occur otherwise.	5%



Assessment Criteria: Team capability and project delivery (20%)

We are looking for a clear narrative demonstrating strong evidence that the proposed entry is feasible and that appropriate resources and governance will be in place for its delivery through:

Assessment Category 3 – Team capability & project delivery	20%
Relevant skills and experience within the delivery team, including clear identification of key partners, their roles, and what capabilities they bring to ensure successful delivery	3%
A credible delivery timeline with appropriate milestones, resource allocation, and project controls that demonstrate the solution can be developed within programme constraints	5%
A realistic and considered costing which provides efficient use of customer funds	6%
A clear and proportionate approach to addressing risk.	6%



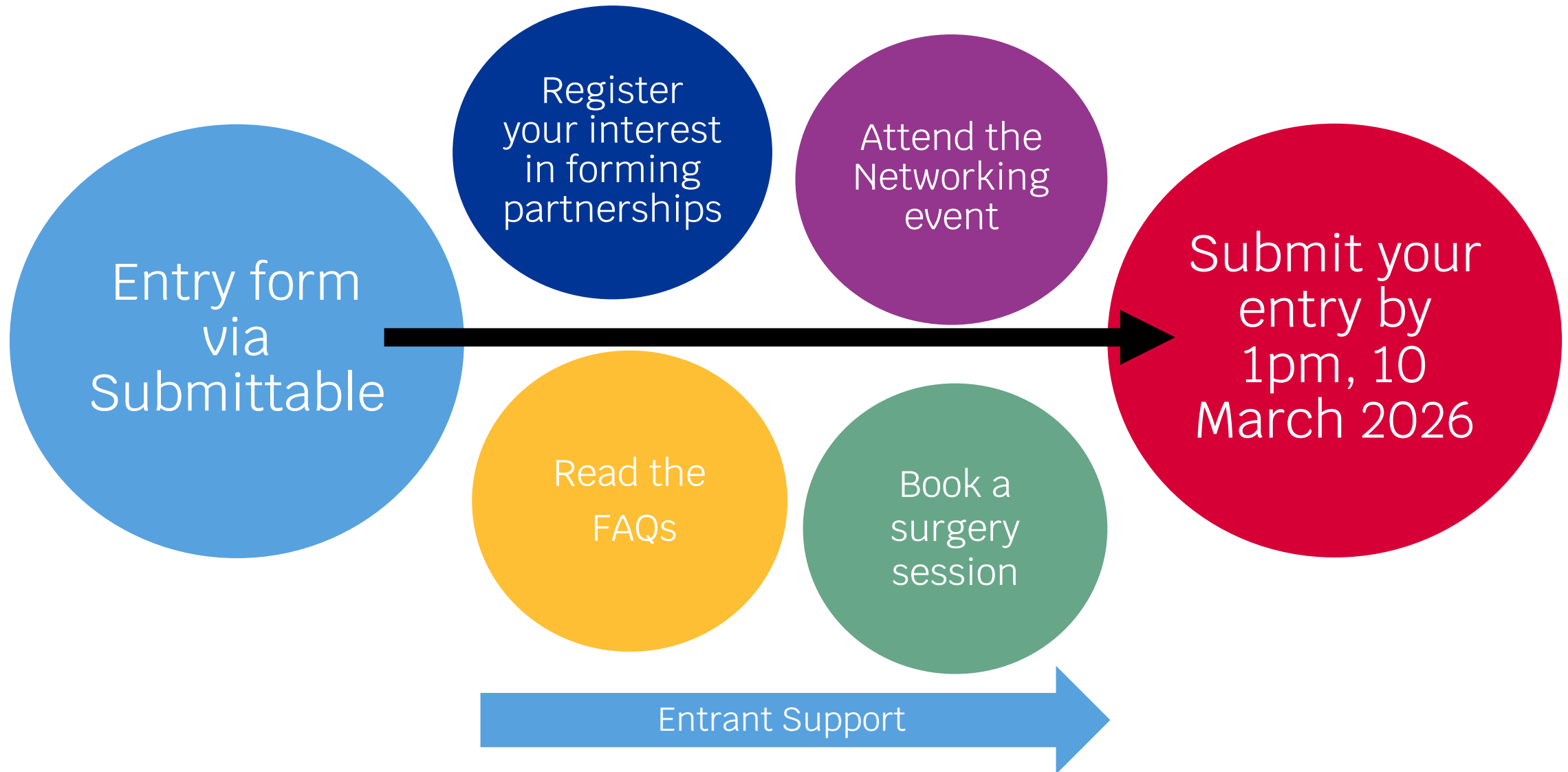
Assessment Criteria: Adoption and implementation plans (25%)

We are looking to understand how solutions have a feasible pathway to implementation and scaling across England and Wales, with strong entries demonstrating:

Assessment Category 4 – Adoption & implementation plans	25%
A credible pathway to reach target customers, including meaningful stakeholder buy-in where it is required to ensure adoption.	10%
A sustainable business model	7.5%
An understanding of market conditions, regulatory requirements, competitive landscape, and concrete plans to overcome identified barriers to adoption	7.5%



How to enter – Entrant Support





Entrant Support – Partnership formation

We know that for some types of solutions, partnerships will be vital for the solution to be implemented successfully, or to combine complementary expertise from different organisations.

Partnerships form	Networking event
Ongoing resource	One-off event, Thursday 15 January 2026, 2-5 pm
Once form is completed, receive access to a document with details of other organisations seeking to form partnerships	In-person networking opportunity



Q&A

Add your questions in Slido, and upvote other questions you'd like answered.

We will answer offline any questions that aren't addressed in this webinar.

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More questions?

Check out the FAQs:

waterinnovation.challenges.org/water-efficiency-lab/faqs/

If you can't find an answer, contact us:

waterinnovation@challengeworks.org

Sign up for WEL 1 updates:

<https://mailchi.mp/challengeworks/wel>



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Thank you!

