

Annex 1 – Water Innovation Implementation Programme

Applicant Terms and Conditions

The Water Innovation Implementation Programme (the “**Programme**”) is run by Isle Utilities (“**Isle**”), in partnership with Arup on behalf of the Water Services Regulation Authority (“**Ofwat**”). These terms apply to applicants to, and funded projects delivered under, the Early Adopter and Fast Follower Stream of the Programme unless otherwise stated in the relevant Funding Agreement. The Implementation Enablers Stream may be subject to separate challenge-specific terms and agreements.

The Programme will have two streams of funding (each a “**Stream**”). The Early Adopter and Fast Follower stream is open to applicants seeking match-funding of between £100,000 and £1 million to support the cost of implementing an innovation. A total of £10-15 million may be awarded under this Stream. The Implementation Enablers stream is not open to applicants and will instead focus on delivering enabling work that benefits the sector. Ofwat may approve spending a range of different organisations to deliver works up to £5 million. Approximately £10 million in total may be allocated under this Stream.

Full information about the Programme (including each Stream) and what participating in it will involve is published on the Programme website

(<https://waterinnovation.challenges.org>). We draw your particular attention to the [Early Adopter & Fast Follower Applicant Handbook](#) which forms part of and should be read alongside these terms and conditions for those entering the Early Adopter and Fast Follower Stream.

In these terms and conditions “**you**” and “**your**” means the applicant that leads an application for match-funding. Separate agreements are required for each Early Adopter and Fast-Follower that applies.

Please read these terms and conditions carefully before submitting an application to the Early Adopter and Fast Follower Stream of the Programme. By submitting an application, you accept these terms and conditions on behalf of your organisation and agree to comply with them.

1. Participating in the Programme

1.1 When submitting an application to the Programme you must follow the application process as outlined in the Applicant Handbook. All applications received will be assessed against the **Eligibility Criteria** as set out on the Programme website (<https://waterinnovation.Programmes.org>). Applications which do not meet the Eligibility Criteria shall not be accepted. The eligibility assessment will be conducted by Isle with oversight from Ofwat. Ofwat reserves the right to refuse any application that does not, in its assessment, meet the Eligibility Criteria.

1.2. The applicant of any application must be an appointed ‘Water Company’ (a water and/or sewerage undertaker holding an appointment under Chapter 1 Part 2 of the Water Industry Act 1991 [the ‘Act’] see <https://www.ofwat.gov.uk/regulated->

[companies/ofwat-industry-overview/licences](#)). The applicant must comply with these terms and conditions.

1.3. **At least 50% of the total cost of the project** to which your application relates must be funded from sources other than the Ofwat Innovation Fund (more information on this requirement is included in the Applicant Handbook). Please note that Ofwat may request information to confirm that its application complies with this requirement as part of the application form.

1.4. Ofwat reserves the right to refuse acceptance of any application, where the application is inconsistent with these terms and conditions in Ofwat's view.

1.5. An organisation is not eligible to enter or participate in the Programme:

- 1.5.1 if it shares common ownership with or is a subsidiary of Isle or Arup except where such a relationship is declared, and measures taken to manage any risk of conflict have been approved by Ofwat; or
- 1.5.2 if any individual in its project team or any senior member of its staff is:
 - (i) an employee of Isle or Ofwat or an immediate family member of such employee, including any other relationship which may reasonably generate a conflict of interest.
 - (ii) an employee of Arup that is working or has worked on the research, design, administration, delivery and/or evaluation of any aspect of the Ofwat Innovation Fund, or any immediate family member of such employee; or
 - (iii) any other individual that is working or has worked on the research, design, administration, delivery and/or evaluation of the Ofwat Innovation Fund, or any immediate family member of such individual,except where such a relationship is declared and measures taken to manage any risk of conflict have been approved by Ofwat.

1.6 You can submit more than one application to the Programme. You may submit an application for the implementation of a single innovation once. Once a match-funding round has concluded for the implementation of that innovation, no further funding will be provided.

1.7 You must bear all the costs of entering and participating in the Programme, including travel costs and other out of pocket expenses. Please note for the avoidance of doubt that you are responsible for all costs to enter regardless of the outcome of your application.

1.8 Ofwat reserves the right (in its discretion) not to accept applications submitted in languages other than English. Neither Isle nor Ofwat are responsible for, and Ofwat may

in its discretion disregard, entries that are lost, incomplete, damaged or late due to computer, network or telecommunications failure based on third party telephone or data networks.

1.9 The contact details you provide will be used to contact you about the Programme. All communications from you in relation to the Programme must be in English. If you do not respond within 14 days, or if you withdraw or are disqualified from the Programme for any reason, another application may be selected in your place, but there is no requirement or obligation for this to happen.

1.10 Eligible entries will be assessed against the assessment criteria for the Early Adopter Stream as set out within the Applicant Handbook in order to pass through to consideration by other Water Companies who may wish to Fast Follow. Ofwat's decision on the selection of applications to receive funding and the amount the Programme awards (including in relation to queries on the assessment process) is final. Ofwat will receive recommendations from the Programme delivery team as well as feedback from Implementation Committee which it will take into consideration when making its decisions. However, Ofwat is not bound by these parties' recommendations, and all and any awards are at Ofwat's sole discretion. For the avoidance of doubt, Ofwat may at its sole discretion decide not to award any funding in relation to the Programme. Ofwat, may at its sole discretion, provide generalised or individual feedback to applicants.

1.11 In consultation with Isle, Ofwat may vary the form or substance of the Programme (including deadlines and event dates) as it deems appropriate in the circumstances to ensure the Programme objectives, as set out within the Applicant Handbook, are achieved. Ofwat may suspend or withdraw the Programme if it considers that the Programme will no longer achieve its objectives.

1.12 Isle, in consultation with Ofwat, reserves the right to vary these terms and conditions at any time. Variations will take effect from the date they are posted on the Programme website so please check regularly to see the current version.

2. Programme Awards

2.1 The payment of any funds awarded through the Programme shall be settled in accordance with an agreed settlement mechanism. Neither Isle, Ofwat nor any of their respective partners in the Programme shall have any responsibility or liability to anyone, however, arising for the non-payment or delay in payment of any funds awarded through the Programme.

2.2 Funding will be awarded in pounds sterling and the recipient is responsible for payment of tax and other charges.

2.3 If you are accepted by the Programme, you will be required to enter into a Funding Agreement before funds will be awarded. Any funds awarded by the Programme must only be used to fund the project described in your application. Such usage must comply with the terms of the funding agreement and must promote the objectives of the Programme as described on the Programme website. You must comply with all

reasonable monitoring requirements specified by Ofwat, either directly or in conjunction with Isle or Arup, to verify the proper use of such funds, and you consent to the sharing of all monitoring information between Isle and Ofwat and with any third party Ofwat or Isle (with the approval of Ofwat) may in future appoint in respect of the monitoring of the Programme. Isle and Ofwat reserves the right to include terms within the funding agreement which may impose additional conditions on the release of funds during the course of the project if either Isle or Ofwat, in their sole opinion, form the view that such conditions are required or are appropriate according to Ofwat's discretion in light of other legal or regulatory requirements.

2.4 If you fail to comply with any of the provisions of a funding agreement, Ofwat reserves the right to refuse your application to future activities at its own discretion.

3. Your promise to us

3.1 To participate in the Programme, you must:

- satisfy the relevant eligibility criteria and ensure that all information submitted by you is true, accurate and complete.
- submit an application to implement an innovation that has been developed and/or tested through other activity related to the Ofwat Innovation Fund.
- have, or will obtain, all authorisations, consents and permissions, including any relevant legal or regulatory requirements, necessary to submit your application, carry out your proposal and comply with these terms and conditions.
- ensure that your application will not infringe any intellectual property or other third-party rights or breach any contractual obligation. You may be disqualified if we receive notice that your application infringes any third-party rights.
- act lawfully, ethically and in good faith and comply with these terms and conditions, any funding agreement, the Settlement Agreement, Water Company licences, any other rules of the Programme and any relevant laws, regulations, guidelines and codes of practice.
- comply with all reasonable instructions while participating in the Programme, including in relation to health & safety and security.

3.2 You must:

- at the time of submitting an application to the Programme and at any other point during the Programme, declare any actual or potential conflict of interest with Isle, Ofwat, Arup and/or the Implementation Committee, and provide Isle and Ofwat with all information reasonably requested in relation to such conflict.

3.3 Ofwat, in consultation with Isle, reserves the right at its sole discretion to disqualify you from the Programme if you do not comply with these terms and conditions, if you behave in a way which is misleading, disruptive, inappropriate or potentially dangerous, if you fail to participate fully or do anything to damage the reputation of Isle, Ofwat or

Isle's partners. Ofwat, in consultation with Isle, reserves the right to require repayment of any funding awarded to you through the Programme if you fail to comply with these terms and conditions and/or the terms of any Programme award agreement and/or the terms of the Settlement Agreement.

4. Intellectual property

4.1 Each participant in a project funded through the Programme will retain ownership of the intellectual property rights (IPR) they already hold when applying, and of any IPR they develop independently of the Programme.

4.2 If the innovation being implemented under the Programme has been developed or tested through a previous Ofwat Innovation Fund project. Nothing in these terms and conditions is intended to change the ownership or treatment of IPR created under that original funded project. All such IPR will continue to be governed by the IPR provisions in the terms and conditions that applied to that original funded project.

4.3 In this clause 4:

(a) "Background IPR" means IPR which exists prior to the start of the implementation project.

(b) "Foreground IPR" means all IPR that is created through Programme-funded activities carried out in the course of the implementation project.

4.4 The default position for any Foreground IPR created through Programme-funded activities is set out in clauses 4.4.1 to 4.5.3.

4.4.1 It is not generally expected that implementation projects will generate significant new IPR. However, if Programme-funded activities do result in Foreground IPR (including modifications, enhancements or further developments), each participant that owns such Foreground IPR must make it available royalty-free to all Water Companies.

4.4.2 To give effect to clause 4.4.1, each participant that owns Foreground IPR hereby grants to all Water Companies a non-exclusive, perpetual, sub-licensable, irrevocable, royalty-free licence to use its Foreground IPR for any purpose related to their operations as a Water Company.

4.4.3 Each participant also grants to all Water Companies a non-exclusive, perpetual, sub-licensable, irrevocable, royalty-free licence to use its Background IPR solely to the extent necessary for a Water Company to receive the benefit of the licence in clause 4.5.2.

4.5 If any IPR used in, or created by, the implementation project includes third party IPR, you must ensure that the relevant licences allow that third party IPR to be used in a way that is consistent with clause 4.4 (or any agreed variation under clause 4.7).

4.6 If you expect that your implementation project is likely to generate new IPR, your application must:

- explain what new IPR is likely to be created; and
 - explain how you will comply with clause 4.5; and
- identify any material Background IPR needed to use the Foreground IPR and confirm it will be licensed in accordance with clause 4.5.3 (or, if not, set out the proposed alternative arrangements to be considered under clause 4.7).

4.7 Any request to vary the way Foreground IPR created through the Programme is treated will be considered by Ofwat on a case-by-case basis. Ofwat will only agree to any variation where it is satisfied that:

- the arrangements will deliver clear benefits to customers of water companies; and
- the arrangements represent value for money and do not increase costs to customers compared with the default IPR position.

Any such variation must be agreed by Ofwat in writing (for example in the Programme Funding Agreement).

4.8 You must ensure that equivalent obligations to those in this clause 4 are included in relevant contracts with project participants and third parties to the extent necessary to give effect to the access rights in clause 4.5.

4.9 In addition to any monitoring and reporting obligations set out elsewhere in these terms and conditions, you must report through the Programme's monitoring process whether any new IPR has been created through your implementation project and, where applicable, how access to that IPR (and necessary Background IPR) can be obtained in line with clause 4.5 (or any agreed variation under clause 4.8).

4.10 You must provide all reasonable assistance to Ofwat, the Programme delivery partners and water companies in doing anything reasonably required to give effect to this clause 4, including (without limitation) providing information on how to access relevant IPR and entering into any documentation that may be required.

5. Use of personal information

5.1 Please see Programme's Privacy Policy (<https://waterinnovation.challenges.org/wp-content/uploads/sites/3/2025/12/Privacy-Policy-Water-Innovation-Implementation-Programme.pdf>) and Ofwat's Programme Privacy Notice

(<https://www.ofwat.gov.uk/publication/privacy-policy/>) for information about how we will use personal information obtained for the purposes of participating in the Programme.

6. Publicity

6.1 Ofwat, Isle and Isle's partners may carry out publicity and promotion for the Programme and publish research and evaluation in relation to the Programme. You agree to the use of each of your organisation names and a summary of your application in promotion and publications in any media and online and to participate in any other publicity reasonably required by Isle or Ofwat in connection with the Programme. Before publication, any concerns you have about the confidentiality of your application will be considered. You should specifically draw any such concerns to the attention of Isle within the terms of your application. Isle may ask you to support and/or participate in promotional activities related to the Programme on reasonable notice.

6.2 Any public statements made by you in relation to the Programme must acknowledge the support of Ofwat, Isle and their partners and must be approved in advance by Isle, in consultation with Ofwat. For the avoidance of doubt, you will not announce Ofwat's decision on the outcome of your Programme application without the prior written approval of Isle, in consultation with Ofwat.

6.3 In this clause "**FOIA**" means the Freedom of Information Act 2000 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Crown body in relation to such legislation; and "**EIR**" means the Environmental Information Regulations 2004. You acknowledge that Ofwat is subject to the requirements of the FOIA and the EIR and may be required under the FOIA and the EIR to disclose information concerning you, your project and participation in the Programme (including commercially sensitive information) without consulting or obtaining your prior consent. In these circumstances Ofwat shall, in accordance with any relevant guidance issued under the FOIA, take reasonable steps, where appropriate, to give you advance notice, or failing that, to draw the disclosure to your attention after any such disclosure. Ofwat shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and/or the EIR.

7. Limitation of Liability

7.1 To the extent permitted by applicable law, Isle and Ofwat exclude all liability for any direct or indirect loss or liability, costs, claims, taxes, charges or expenses arising from your participation in the Programme or your reliance on statements made or advice given by Ofwat, Isle or Isle's partners. If you submit any materials or items as part of your application to the Programme, this is at your own risk. Neither Isle nor Ofwat give any undertakings to keep safely, maintain or return any materials or items.

7.2 Without prejudice to Clause 7.1, each of Isle and Ofwat's maximum liability to you in connection with the Programme (if any) is limited to £500.

8. Governing Law and Jurisdiction

8.1 These terms and conditions shall be governed by and interpreted in accordance with the laws of England and Wales, and you hereby submit to the exclusive jurisdiction of the English courts.