Ian Pemberton has very kindly reviewed the questions that were raised by delegates in SliDO but that we were unable to cover due to time restraints. Please note that Ian developed his responses before the final Determinations were announced.

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1. Is the lack of Innovation Fund entries due to the fact that the industry knows what needs doing, they just don't get funded to do enough pipe replacement?

As these answers are being written prior to the Final Determination I can't talk about the specific levels of funding for mains replacement in AMP8.

In general terms there is mechanism in the assessment of the business plans to fund some mains replacement under base cost and, where the company has provided a compelling case, for funding additional replacement under enhancement.

Just to clarify my comments at the conference, I shared the number of successful innovation fund projects. I didn’t comment on the number of entries. I also shared the advice from my innovation team colleagues as to how applicants might improve the chances of success with the judges.

2. With BABE (Bursts and Background Estimation) being removed is there a risk that many more companies will end up with increased Leakage?! So, the reduction to date graph will look even worse?

I don't think it would be unfair to say that the sector has focussed more on distribution main (and customer supply pipe) than trunk mains. I suggest that we need to look at this balance (pardon the pun). At the conference we heard from Ian Dunsmore from Scottish Water, and he showed the devastating impacts of sudden trunk main failure. In his presentation he showed the impact of one burst running at $5m^3/s$ – that's 5 tonnes a second.

Trunk main bursts reflect the whole sector negatively in the media, so more focus on trunk mains is not only necessary for a reduction in overall leakage, but also to contribute to improving asset health which in turn will help improve confidence in our sector.

In theory, as companies improve data accuracy the reported leakage could increase or decrease. We expect companies to report accurately and so any increase in reported leakage would be a concern.

3. Rehab must be better adopted to meet our targets. Regulation (Reg 31 and 3 hr rule) are a major challenge for innovation. What can be done by regulators?

We have amongst the highest quality water in the world.   The standards put in place by DWI and ourselves help to maintain this.

One of the strong 'take-away' messages for me was how the sector needs to innovate to meet the leakage challenge.

I think initiatives like the Innovation Fund and projects like the National Leakage Research Test Centre, Designer Pipe and many others are helping us accelerate the adoption of new technologies.

4. We probably feel that we are one of the more collaborative areas in the industry. How do we increase our collaboration, and where do we look for good examples.

I agree, I think the collaboration in the leakage sector is really good, and for me that was the second really strong 'take-away' from this year's conference.

In terms of regulation the advent of RAPID to look at long term water resources solutions has been really effective and within Ofwat Operational Resilience Working Group which works really well.

The leakage review will call on all companies, contractors, consultants and equipment suppliers to collaborate.

5. When BABE is removed there is a likelihood that reported Leakage will go up. Have OFWAT thought about allowing rebaseline vs to 2019 baseline?

Rebaselining is a complex question and is something we will look at next year as part of both ODI mechanism and the leakage reporting project.

We are likely to need to see a period of shadow reporting into AMP8.

6. If BABE for trunk mains is being replaced and there are concerns about the balance gap, will that lead to more focus on top-down leakage.

It could do, but we don’t want to prejudge the review. At a time when many companies are unable to report a WBG than 2%, it would seem counter intuitive to remove the checks and balances that the Top-down – Bottom-Up approach gives.

7. Is there any regulator appetite to bring private supplies in to water undertaker control? Like other utilities.

This isn't an area over which Ofwat has any powers, so it is not something I could comment on. If there should be a scheme of water companies adopting private supplies is in the first instance a question for Defra (and DWI to the extent that improving water quality is a reason for the adoption).

8. Will Ofwat be reviewing the reporting guidance for other ODIs for PR29?

The process for planning the methodology for PR29 (including the definition of ODI's) is some way off. I can't say what PR29 will bring but I think it's safe to say that guidance for all ODI's will be considered.

9. With high levels of smart metering in AMP8-10 would you see a change in leakage reporting responsibilities to Network losses as per international practices?

Smart metering, international practices and, as you say the term 'network losses', are all things that we will look at in the leakage review project. We really are trying to keep an open mind as we open up this review.

10. Is the issue between WRMP, Leakage and the Gap in MLE a consequence of BABE and the lack of focus on upstream networks

I don't believe so but, again, this is one of the areas we will look at in the leakage reporting review project. Our move to three year rolling averages puts us at odds with the definition of leakage in WRMPs, and we believe there is also another difference introduced when MLE is applied at Water Resource Zone and then aggregated to company level.

11. With a reported 7 out of 9 engineers leaving the industry how are we going to keep these people in the industry which could look to help towards innovation.

At the time of the conference, I wasn't aware of the report (written by a water industry recruiter) so wouldn't have been able to comment. I have now found and read it. It says 70% of engineers are 'considering' careers in other sector – which you could read the other way and say it means that we are developing people with transferrable skills.

The report says that, after pay, job satisfaction, flexibility over working hours and geographic location are most important. My question would be how many people in those other industries are considering careers in water?

How many of them can bring what is 'business as usual' in other sectors as 'innovation' to the water sector. (I recall at the conference there was discussion about possible pipe rehabilitation techniques from oil and gas.)