



A 'CALL TO ARMS' FOR THE UK WATER INDUSTRY

What steps do we collectively need to take to repay the trust placed in us to deliver the water and wastewater services the country needs in AMP8?

In October 2023 I published an article under the title: 'A Wake-Up Call: The UK Water Industry is at a Critical Turning Point'. Today, with water bills projected to increase by more than 35% over AMP8 in order to finance the £100bn investment programme, the alarm on the wake-up call has become immeasurably louder.

My open question to all of us in the UK water industry is: what could prevent us from delivering on the amazing opportunity entrusted to us by customers, regulators and politicians, and what steps can we take, starting today, to ensure we optimise the chance of success?

The Water Sector is in a Fierce Competition for Limited Resources

There are a number of significant UK infrastructure projects which, over the five years of AMP8, will be competing for workforce, financial, materials and manufacturing resources.

Such projects include developing onshore and offshore wind farms; 'The Great Grid Upgrade' to overhaul the electricity transmission network; and the expansion of the London Gateway container port. In the medium-term we need to attract new young talent into the industry, but today the imperative has got to be making best use of the existing experience and expertise across the sector.



Experience and Expertise

If one were to create a 'Brains Trust' of water industry experience and expertise, where would the relevant manpower be found? Without question it would be found in the water companies, consulting engineers and Tier 1 contractors; it is also present across the UK water sector supply chain of manufacturers and service providers.

Looking at the AVK in the UK businesses I lead, for example, we have over 700 employees dedicated to developing, manufacturing, supplying, installing and maintaining products and services for the UK water industry. In 2025, we have recruited the first cohort of graduates onto the new programme we have developed to shape the water industry leaders of tomorrow; with further recruits to follow in 2026.

We have also made a significant investment in AVK Academy facilities on our UK sites. The AVK Academy exists both to upskill our employees and to provide access to dedicated training for water company personnel in areas such as smart water networks, pressure management, and valve specification and selection.

The new Academy facilities at Glenfield Invicta's site in Kilmarnock are amongst the best, and the biggest, I have seen in the industry. The emphasis is real-life 3D, with a smart water rig, a control valve testing rig, and the opportunity to get hands-on with multiple valves and penstocks. Academy visitors can also see pressure management valves being configured and tested, and the refurbishment of legacy valves, some over 100-years old.



I extend an open invitation to water companies, contractors and consulting engineers to take advantage of our Academy facilities and to tap into the expertise of our engineers.

I am aware we are not alone amongst water companies, contractors and major manufacturers in making such commitments to grow the water sector workforce over the coming years. I am concerned, however, that the knowledge residing in the supply chain may be under-recognised and underused by water companies and framework contractors.

In summary, I feel we require a sea change in the way all parties in the water industry work together to unlock value and ensure we are all able to deliver the solutions required to satisfy our respective stakeholders.

Collaboration and Engagement

I first became Managing Director of a major water industry supply chain business, Biwater, back in 1990. Consequently, I have managed manufacturing businesses through every Price Review since privatisation.

In my experience, at times in the past the focus during supply negotiations has focused too strongly on lowest price rather than unlocking value. I appreciate that even in PR24 with Ofwat's emphasis on competitive markets it is challenging for water companies to focus as much on value-added, as opposed to 'cost', as I believe is warranted.

There is a need for all parties across the water industry, including water companies themselves, to invest to create additional capacity for AMP8. It is my contention that a move towards a procurement model of engagement and collaboration would facilitate the delivery of the AMP8 investment programme whilst ensuring the UK retains a significant indigenous product manufacturing and service supply chain base.

To achieve such an approach, the manufacturing and service supply chain needs more face-to-face engagement with water company influencers and shakers; to share how we can, collaboratively with all parties, develop solutions to the challenges the water sector is facing.



One of the AVK Expect Promises is that we deliver solutions, not just products. At the heart of this promise is a focus on solving product and project challenges faced by water companies, contractors and consultants in the most technically effective and cost-efficient way possible. We believe that if we continuously deliver on this promise, we create value for our partners way above product cost.



An ongoing example of how collaboration has delivered benefits is Anglian Water's complex, challenging and exciting SPA (Strategic Pipeline Alliance) project. One of the largest infrastructure projects for a generation, SPA's success - in Anglian Water's own words - draws on the experience, new mindsets, thinking and innovation of those involved. AVK's engineers have, to date, advised on the specification of over 1,500 valves and hydrants up to DN800 in size. The hands-on site support we have provided has included the sizing of hundreds of air valves to help ensure pipeline, efficiency, safety and security. We have also fitted bypasses and installed gearboxes and actuators.

Surely, one of the industry's objectives in AMP8 should be to apply the collaboration benefits gained from headline projects like SPA to smaller projects and everyday applications. The supply chain is resourced and ready to deliver.

Trust Us. Use Us.

Innovation

Another significant way in which the product and service supply chain can deliver value for water companies is through innovation: AVK in the UK has already committed monies to an extensive product development programme for AMP8. For example, we are investing in our digital smart water platform. One of the goals of the smart water platform is to enable water companies to tackle leakage by optimising pressure management based on real-time data.

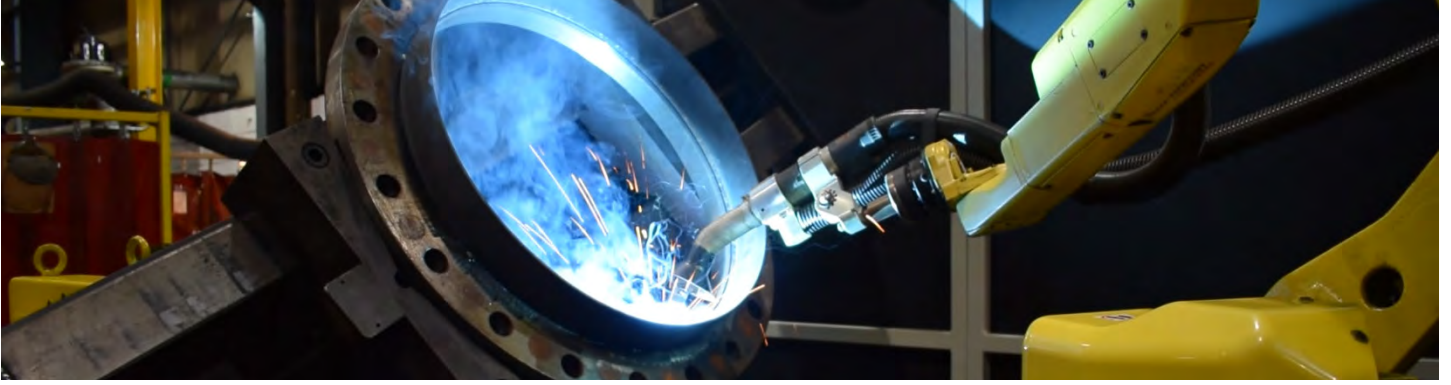
This data is collected and transmitted by low-cost sensors, including retrofit sensors, on valves located across the network. Smart water technologies can also contribute to a greater understanding of asset health, a key driver for Ofwat and, I believe, the new regulator recommended in The Cunliffe Report.

Smart water innovation is a prime example of a real-time, added-value system solution. The success of such solutions requires water companies and innovators like AVK and others to work together to develop and fine tune them. The outcome will be the ability to optimise operations on a daily basis and to collect and analyse data for better asset management and asset health decisions in the future.



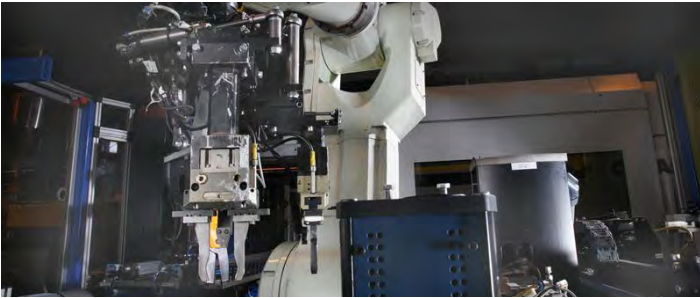
The five years of AMP8 will, in my opinion, see AI solutions come of age in areas such as network design and management, non-revenue water and customer service improvements. AVK has several AI projects in the pipeline with the first to be operational, likely to be a project to speed up the customer journey from enquiry to delivery.

All of the outcomes from innovations and investments, such as those outlined above, will be enhanced if they take place within a supply chain relationship founded on collaboration and engagement.



Manufacturing Investment and Shared Risk

The collaboration and engagement referenced in previous paragraphs are also key in giving manufacturers the confidence to commit to substantial upfront investment in automation (efficiency) and new facilities (capacity).

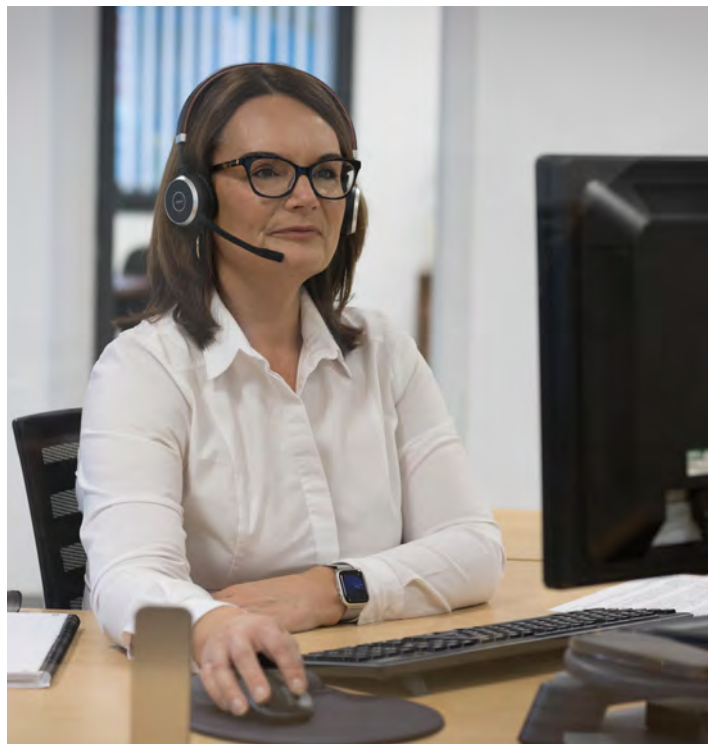


AVK in the UK is already committed to its largest-ever investment programme in manufacturing operations, including the development of a smart automated factory at our site in Corby. A strong and open supply chain partnership, particularly with regards to product volume projections and project timings, is a precursor to unlocking yet further investment.

AVK's Customer Service Charter

Over the past year, AVK has been developing its AMP8 Customer Service Charter. The AMP8 Charter will be launched to stakeholders - including water companies, contractors, consultants and product distributors – in the coming months.

The AMP8 Customer Service Charter is the public face of a long-term holistic programme to build a 'whole organisation' ethos of customer service, including those aspects of behavioural change we need to reinforce to deliver on our service promises. Effectively, it is the internal AVK embodiment of the collective collaboration and engagement we all need to develop as an industry to deliver AMP8 investment programme.



Our Collective Responsibility to Deliver a Greener Future

If I were to highlight one dimension of business that has seen the most radical change over my forty years in the water sector it would undoubtedly be the focus on sustainability. The water industry, more than most sectors, has the ability and collective responsibility to deliver a greener, more sustainable future for the generations to come.

Whilst it is projects like the Thames Tideway Tunnel and the proposed new reservoirs in the AMP8 plans that grab the spotlight, it is the collective impact of thousands of smaller decisions and developments across water companies and the supply chain that will, collectively, make the difference.



Across AVK in the UK, for example, we are committed to investing in sustainable processes and products; both to reduce our own carbon footprint and to help water companies achieve their sustainable goals. Atplas, for example, has completely overhauled its manufacturing processes and product design to enable it to use 90%+ recycled plastics in its water meter boundary boxes; Glenfield Invicta has increased its capabilities to remanufacture (renovate and refurbish) valves as a cost-effective alternative to valve replacement in certain application cases; AVK UK's smart air valves, combined with its air valve monitoring and maintenance services, deliver network efficiency and lower operating costs as well as greater system safety; Fusion has developed technology that facilitates the remote monitoring and non-destructive testing of electrofusion joints.

Sustainability, like the Covid pandemic, shows what can be achieved when an external stimulus provokes a paradigm shift in the way we think and behave. I believe the water industry should collectively treat the opportunity presented by the delivery of the AMP8 investment programme as the catalyst for a radical change in collaboration and engagement.

Stronger Together

In my October 2023 article I noted that UK media coverage of the water industry was almost universally negative: financial and commercial challenges; water leakage; dry spilling of sewage; water shortages and more.

I believe, however, that all stakeholders in the sector are overwhelmingly motivated by a desire to deliver world class water and wastewater networks for the citizens and businesses of the United Kingdom. AMP8 is a historic opportunity to take a giant stride towards achieving this objective. To do so effectively, however, I believe the factors I have outlined in this article need to be incorporated into our collective decision making.

I call upon all businesses in the water industry, from the largest water company to the smallest component manufacturer, to adopt a spirit of collaboration and engagement to ensure we grasp this opportunity.

Carpe diem. We are stronger if we collaborate. We are stronger together.



An opinion piece by

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