



Frequently Asked Questions

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1. About the Fund

1.1 How were the four strategic innovation themes developed?

The strategic innovation themes were first developed following consultation in 2020 in preparation for the launch of our first competition, the Innovation in Water Challenge in January 2021.

At the end of the Innovation Fund pilot period, we published an additional consultation in April 2022, where we identified a number of key areas where further evolution of the fund would be beneficial over the next three years (2022-25).

We reflected on the feedback we received during the pilot period and proposed revised themes to align more closely to [the 2050 water innovation strategy](#) and the updated [UK Government Strategic Policy statement](#). These were received well through the consultation and we announced in July 2022 that these would be the themes for 2022-25.

1.2 Who is funding the Innovation Fund?

The Innovation Fund is funded by household water and wastewater customers in England and Wales.

1.3 Why have you limited the Fund to the four themes?

The four strategic innovation themes set out the big challenges facing the sector, which would benefit from additional innovation. These themes have been updated since the second round of the Water Breakthrough Challenge. We no longer explicitly reference open data or vulnerability in the themes – however, both would be implicit in theme 4 (and others), and both would easily be a means to fulfil this theme.

While no longer explicitly referenced in the themes, enabling activities are still very important to drive innovation in the sector and have a key role to play in helping the Fund achieve its outcomes. We invite entries in this important area as they will support the Fund's ambition to embed innovation practices and knowledge within water companies (and the sector) for the long term.

Through the competitions, the Innovation Fund will support initiatives that can deliver significant value for customers, society and the environment aligned with one or more of these themes. Our strategic themes were first published in our [policy decision document](#) in August 2020, then updated following [consultation](#) in July 2022.



1.4 What do you mean by 'benefits for customers'?

One of the priorities for Ofwat's Innovation Fund is enabling the water sector to better meet the evolving needs of its customers. This is focused on household customers in England and Wales, although benefits to non-household customers are also encouraged. Entries should clearly explain how the proposed innovation will make a difference for customers – for example, by lowering costs, giving them insights to help them plan their water use, or by improving their experience of their local water environments.

All entries that propose primarily to benefit non-household customers must also demonstrate how the proposal can also provide benefits to household customers. More guidance is available on Ofwat's website.



2. About The Water Discovery Challenge (Discovery)

2.1 How is Discovery different to other competitions in the Innovation Fund?

The Water Discovery Challenge (Discovery) aims to accelerate the discovery, development and adoption of promising innovations by the water sector. It will do this by directly supporting organisations with innovative propositions and facilitating their engagement with water companies. It will bring together a blend of financial and non-financial support to support new innovation to launch and succeed in the water sector in England and Wales.

Discovery will welcome entries from all sectors and all types of organisations, domestic or international. Unlike previous Fund competitions, there will be no requirement for organisations to partner or receive sponsorship from a water company to enter.

2.2 What are the key dates and stages for Discovery?

Entries open: 25 January 2023 at 12 noon (BST)

Entry period closes: 5 April 2023 at 12 noon (BST).

From eligible entries, up to 20 finalists will be announced in June 2023. These entries will enter the **Finalists Stage** which runs between June and November 2023, with an award of up to £50,000 and a 5-month package of support to refine their Development Plan for submission to the following stage.

Submission to next stage: November 2023

From the submissions to the next stage (Development Plan), up to 10 winners will be announced in January 2024. These entries will enter the **Winners Stage** which runs between January and August 2024, and will be awarded up to £450,000 and receive a 7-month support package.



3. Who can enter

3.1 Who can enter Discovery?

We welcome entries from all sectors and all types of organisations, domestic or international.

To be eligible, organisations entering must:

- Be a UK incorporated entity
- Hold a UK business bank account upon entry
- Comply with the [terms and conditions](#)
- Not be [a regional water or wastewater company](#) in England and Wales

A “UK Incorporated Entity” includes any private limited company, limited liability partnership, incorporated charity and Community Interest Company which is incorporated in part of the United Kingdom. Sole traders and unincorporated partnerships are excluded. Potential entrants are encouraged to ask if in doubt. Subsidiaries of international organisations are welcome.

3.2 I’m a water retailer or small water company. Can I enter?

As a water retailer or small water company (sometimes referred to as New Appointments and Variations or NAVs), you are eligible to enter Discovery.

3.3 Are universities eligible to enter Discovery?

To be eligible, organisations entering must:

- Be a UK incorporated entity
- Hold a UK business bank account upon entry

A “UK Incorporated Entity” includes any private limited company, limited liability partnership, incorporated charity and Community Interest Company which is incorporated in part of the United Kingdom.

Most universities in the UK are incorporated charities, or incorporated by Royal Charter and therefore eligible, but we advise you to check with your institution directly as they would know the specifics of your organisation’s legal status.



3.4 My organisation is not based in the UK. Am I still able to enter Discovery?

The Water Discovery Challenge welcomes entries from all sectors, and innovative propositions can be from anywhere in the world. Whilst we are open to both domestic and international organisations, to be eligible, organisations must be a UK incorporated entity and hold a UK business bank account upon entry.

UK subsidiaries of international organisations are very welcome, and entering organisations are welcome to form partnerships and supplier relationships to support them to enter.

3.5 I have been developing an idea with a water company. Am I eligible to enter Discovery?

Organisations that have worked or are working with water companies in England and Wales are welcome to enter the Water Discovery Challenge.

Funds received through Discovery should **not** be paid to water companies during the Finalist Stage as partnership or supplier agreements. This is because regional water companies in England and Wales will play an important role in supporting the delivery of the challenge by providing Finalists and Winners with mentoring support.

If you are already collaborating with a water company, you may wish to also consider entering the 4th round of the Water Breakthrough Challenge, opening in September 2023. Please see [our website](#) to keep up to date with the Water Breakthrough Challenge.



4. Your initiative for entry

4.1 What kind of entries are you looking for?

We are seeking bold and ingenious innovations that can help solve the biggest challenges facing the water sector today and into the future.

In particular, we are looking for innovations that:

1. Have the potential to have a **positive impact for water customers, society and the environment**, guided by our four strategic innovation themes.
2. **Innovation enablers and innovative solutions** ready for concept proofing, testing, early feasibility studies, development and verification in the water sector.
3. Are delivered by teams that have the **capacity, capability and commitment to deliver**.
4. Have the **ability to succeed, be sustainable and/or gain wide adoption across the water sector in England and Wales**.

These four categories comprise our **assessment criteria** which we will use to assess and evaluate all entries received into Discovery.

4.2 What level of innovation maturity are you looking for?

We are looking for innovators from any sector with bold ideas that can help solve some of its biggest challenges faced by the water sector.

To help you understand if your initiative fits into what we're looking for, we specifically would like to welcome entries at the more mature part of level 2 and less mature part of level 3 on the [Innovation Maturity Framework](#). This is loosely equivalent to Technology Readiness Level (TRL) 3-6 if your solution is technological, but all types of innovation are welcomed.

A key objective of Discovery is to support innovators to progress through this maturity framework, as well as preparing Finalists and Winners to further scale their solutions beyond the Challenge, for example by providing a pathway to working directly with water companies or entering future rounds of the Water Breakthrough Challenge through new partnerships.



4.3 Which sectors are you looking for entries from?

We are looking for **all** bold and innovative solutions, but particularly welcome innovations from outside the water sector. This could include, but is not limited to, those working in industries such as energy, cities and transport, construction, agriculture and farming and digital data and the internet of things.

4.4 Can I enter with a pre-existing initiative or project?

Yes, you can enter with a pre-existing initiative or project but please note that we are particularly looking for early-stage innovations.

4.5 Is there a timeframe for delivery of the initiatives funded through Discovery?

Discovery is an 18-month Challenge with two stages of selection and support.

The Finalist Award of up to £50,000 will need to be spent between July 2023 and the beginning of the Winner's Award stage in January 2024.

The Winners Award of up to £450,000 will be required to be spent on defined activities as set out in a Development Plan, but there are no specific time restrictions relating to when the funding needs to be spent. It should not be committed before Winners receive funding.

4.6 Can I fund my PhD through the Water Discovery Challenge?

Whilst most universities will likely be eligible to enter the Water Discovery Challenge, it is unlikely that the Challenge will be suitable to fund a doctoral degree (PhD). This is due to the assessment criteria for entries we are seeking and the timeframes that funding needs to be spent within.

You are welcome to fund research through the Water Discovery Challenge where it meets the assessment criteria within the timeframes of the Challenge.



5. Entering the Water Discovery Challenge

5.1 What will I need to submit to enter Discovery?

You must submit the online entry form, available [here](#).

The entry form is made up of four types of questions:

- **Eligibility criteria** - these are questions that will be used to determine eligibility.
- **Unassessed questions** - these questions are unassessed and will be used to manage your entry, support portfolio decision making, enable monitoring and evaluation of the Challenges and create publications and announcement materials if your entry is successful. Generally, these questions are not visible to assessors or sector reviewers when completing their individual review.
- **Assessed questions**
 - **General information** – these questions provide general information about your entry, providing context for assessors, sector reviewers and judges without being directly scored against assessment criteria.
 - **Assessment Criteria specific questions** – this assessed against the assessment criteria by the judges and assessors.

5.2 Can you accommodate reasonable adjustments to support me to enter?

We are committed to enabling a diverse range of entrants to enter Water Discovery Challenge. If there are any reasonable adjustments that would support you to enter, catering for any additional needs you may have, please contact:

waterinnovation@challengeworks.org.

Our entry form platform, Submittable, supports a wide range of screen readers and accessibility software.

5.3 How many entries can I submit?

You can submit as many entries into the challenge as you like, providing each entry is for a different initiative. We will ensure that we progress a diverse portfolio of entries in terms of entry themes, types, entrants and geographic location.



5.4 Is the entry to the competition confidential?

You will be asked to indicate in your entry that you are happy for your entry to be made public should Ofwat be subject to a Freedom of Information request or if you consider the content of your entry confidential.

Entries, including confidential information will be shared with those involved in running and assessing entries, including our delivery partners, assessors and the judging panel in confidence in line with our [Privacy Policy](#). Details of entries will be considered as part of our ongoing evaluation activities and may form evidence for future policy developments.

Ofwat intends to publish details of its Funding decisions and its reasons for awarding funding. Ofwat will take account of entrants' preferences in relation to the confidentiality of their entries in these publications.

5.5 I need help using Submittable, what should I do?

If you're having any problems with Submittable and require help, please contact the team on:

waterinnovation@challengeworks.org

There are also self-service help files available direct from Submittable [here](#).

5.6 When I export from Submittable, the rich text formatting is removed, what can I do?

Unfortunately, the export feature in Submittable strips away any rich text formatting, such as **bold**, *italics* and bullet points. Submittable are exploring adding exporting rich text formatting in their development roadmap, but please be reassured that Assessors and Judges have access to review your entry directly on Submittable so can see entries with all the formatting that is input when you submit.

5.7 I have a question about the entry process – what should I do?

We will be hosting a [launch webinar](#) on 26 January 2023 at 12.30pm BST. Once this webinar is complete, a recording together with a transcript will be hosted on our [events page](#).

Following the launch webinar, there will be a series of entrant support made available, along with a dedicated [Entry Clinic](#), scheduled for 16th March, 12-1pm.



If you still have questions after reading the Innovator Handbook and FAQs, please email us at waterinnovation@challengeworks.org



6. Costs & Funding. Costs & Funding

6.1 How much money is available for winning entries?

Through the Water Discovery Challenge, there is approximately £4 million total funding available for successful entries. Individual entries can request up to £500,000 in total, split between the Finalist Award (up to £50,000) and the Winner's Award (up to £450,000)

Up to 20 Finalists with the most promising entries will be awarded up to £50,000 to develop, with a range of expert support and access to and mentoring from water companies.

Up to 10 Winners will be awarded up to £450,000 to further grow their innovation, receiving further support to further accelerate their progress.

6.2 How will I receive Funds awarded through Discovery?

Funding will be awarded pounds sterling (GBP) into a UK business bank account associated with the entrant organisation.

The Finalist Award will be paid in advance as a single lump sum payment in Pounds Sterling (GBP).

The Winners Award will be paid in advance over two or more payments in Pounds Sterling (GBP), depending on the Development Plan of each Winner

Entrants are responsible for all applicable taxes and other charges.

6.3 Can you enter if you're planning to enter into another competition, or you have received funding previously?

We are open to initiatives which have successfully secured additional external public or private funding.

Award funds should not be duplicative of existing funding awards.

6.4 Are the funds State Aid?



Funds from this competition are not classified as State Aid.

6.5 Is the Funding award subject to VAT?

Following confirmation from HMRC, receipt of funds through the Challenge is not subject to VAT.

Activities undertaken within entry projects are subject to VAT and are subject to the usual rules of recoverability for organisations.

In the Development plan for Finalists, costs should be inclusive of applicable taxes which are not recoverable, reflecting the true costs of the initiative.

Where taxes are fully recoverable, such as VAT, costs should be shown net of (excluding) the recoverable amount.

Taxes that are not recoverable should be included, for example, customs duties payable on goods imported into the UK.

6.7 Can I use funding to cover overheads?

In the Finalist Stage, funds can be used to fund any reasonable costs related to developing the innovation and organisations, including labour costs and working through suppliers and any direct costs often included within overheads, including for example office space, accountants and legal costs. We would not expect Finalists at this stage to fund unspecified overhead costs, except where these are supplier charges.

In the Development plan for Finalists, organisations are welcome to use their preferred approach to calculating overheads when outlining how you plan to spend the funds awarded. Further guidance may be provided during the Finalist stage.

7. Intellectual Property Rules (IPR)

7.1 What are the IPR requirements for Discovery?

There are no IPR requirements for the Water Discovery Challenge. IPR brought into the challenge by an innovator remains with the innovator with no obligation to share it royalty-free. IPR developed during the challenge also remains with the innovator with no obligation to share it royalty-free.