



# Bristol Water

## Hydrosocial Contract for Water – Evolution or Revolution?

Bristol Zoo - 28 February 2019

BRISTOL  
**WATER**



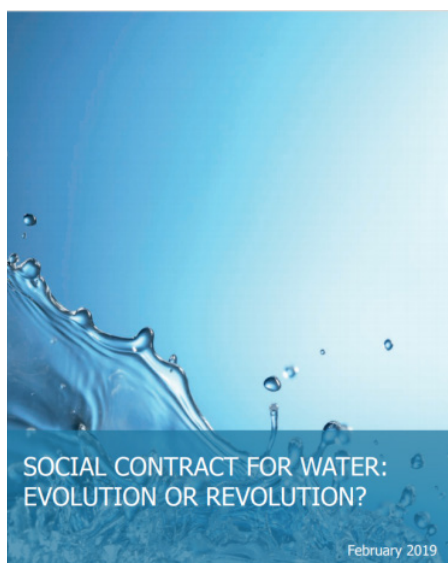
# Hydrosocial Contract for Water – Evolution or Revolution?



The event at Bristol Zoo was a fantastic opportunity for Bristol Water to launch its social contract, the first ever attempt in the water industry to set out a purpose that goes beyond the basic requirements of water supply, through building a shared connection to society. Trust built through how water companies deliver should be as important as what they deliver if the social

purpose of water companies is to have a meaningful impact. The social contract, the governance over this concept, applies to all organisations and utilities, but has a particular resonance in water because of the history of development of services in the sector, and the private sector monopoly delivery of what is an essential public service.

The event title was inspired by a thought-provoking discussion document prepared by ICS Consulting, who had worked with Bristol Water to consider the full potential for social contracts in water. The evening was designed to bring together those local and national stakeholders who had inspired Bristol Water's journey in developing its social contract.



Documents: Social Contract for Water: Evolution or Revolution? and Bristol Water for All: Our Purpose and Social Contract to Build Trust Beyond Water





**Mel Karam, Bristol Water's CEO,** opened the event with a statement that as we were approaching spring, there was a sense of renewal in the air. Renewal also applied to Bristol Water, which had a 173 year history, having been set up by philanthropists who broke the mould of thinking at the time in wanting to provide clean and fresh water to the whole of the city, rather than just the wealthy few. Bristol

Water was set up to provide a social purpose, and the connection of the company with the local community was what Mel had found so powerful in leading Bristol Water compared to other organisations he had worked for. The renewal of Bristol Water through its social contract for the benefit of local communities, like spring, had a positive force that was starting to have a wider impact.



**Iain McGuffog, Bristol Water's Director of Strategy & Regulation,** introduced the event. Iain set out that the Bristol Water social contract was a mechanism for how the company would deliver its purpose, building on what the long term ambition document "Bristol Water...Clearly" had noted that future planning of the water industry was becoming harder because of the disruption to society, and a sense of a lack of wellbeing and confidence in institutions serving the public. What Bristol Water's social contract was attempting to generate was a shared connection to society and to re-find the purpose of the company that has always been there throughout its history. Iain set out the format of the evening, which featured speakers and guests who had helped and inspired Bristol Water along its recent journey. An overview of the ICS Consulting discussion document was also provided – with the question about whether Bristol Water could achieve the necessary evolution through social contracts, rather than a damaging top down revolution which experience suggested would

not reflect local community and societal needs without significant further disruption to society.

Iain said that Bristol Water saw a social contract as being beyond the requirements of markets, law, regulation or Corporate Social Responsibility, so could provide a local connection with society that would be better trusted and more legitimate than solely relying on national frameworks. But Iain also recognised that not everyone agreed on this point, hence the need for tonight's debate (and the opportunity for this to continue on social media #hydrosocialcontract). Bristol Water's social contract will continue to evolve and no one should claim to have all the answers, but this is an opportunity for the water sector to take leadership in an area of topical debate. Iain reflected that our experience of working on the social contract based on a local shared connection to society could result in an "explosion of positive opportunities", and if this event helped those attending to create new ideas and remembered that they began here, that would be more than enough for Bristol Water.



**Natalie Fee, Founder of City to Sea,** described how the Refill campaign had emerged from Bristol being the European Green Capital in 2015, and how important Bristol Water's support (in particular from the event host, Ben Newby, Bristol Water's Chief Customer Officer) had been to keep the campaign going after its initial launch. Bristol Water had given City to Sea the initial case study, that resulted in the launch of

a national campaign with Water UK in 2018, there were now over 16,000 refill stations nationally and 140 local schemes, with 600 stations in Bristol.

The partnership approach had been powerful, demonstrated by the shared ambition shown by Bristol Water to reduce plastic waste and promote tap water through the award-winning Water Bar.

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**Chad Staddon, Professor of Resource Economics and Policy at University of the West of England (UWE)**, provided a background into the unwritten “hydrosocial” contract that had developed in Bristol, and how it differed from the municipalisation of water services that had occurred elsewhere. He identified that technology, finance and regulation were not enough to make a difference, but the distinctive feature was people.

There had been previous Bristol Water companies (for instance between 1683 and 1782) but only affluent parts of the city were served. In the 1840s, civic,

political and moral drivers (not civil engineering) reflecting the need for healthy people in growing industrial cities and profit-driven philanthropists resulted in a “hydrosocial contract” – establishing water supply for the whole city rather than people having to make their own arrangements, which requires some loss of individual freedom for a large social benefit. Chad reminded the audience that many of the water technologies still in use today emerged in this early hydrosocial period (such as slow sand filtration), and raised a glass of (Bristol) water to the new social contract for the next 150 years.



**Ian Townsend, Chief Executive of the Bristol Green Capital Partnership**, set out how the Partnership had over 850 individual members who had a shared vision for sustainability, a better environment and inclusivity across priority themes including transport, water, food and energy. Bristol Water’s sponsorship allowed collaboration between members to build on the European Green Capital

platform in 2015. As with the other speakers, Ian highlighted how collaboration and partnership working across organisational boundaries was a key part of Bristol’s USP. Many of the members of the Partnership were considering their purpose and governance of it, with 2 members already accredited as “B-Corps”. The hydrosocial contract could be a new model to help organisations consider their approach.



**Rebecca Burgess, Chief Executive of City to Sea**, highlighted that communities were core to effective partnerships and collaboration. This is how the Refill campaign had grown in its presence to 140 local groups. Rebecca described the next stage for developing the partnership, through educating the next generation to be the leaders in resource efficiency, something that Bristol Water shared as an ambition.

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Following wide ranging discussions on the individual tables, **Ben Newby, Bristol Water's Chief Customer Officer**, hosted a Q&A discussion session. Examples of the types of discussions noted over the evening were:



•In general the audience saw the social contract as an evolution, rather than a revolution, but as a concept may have the power of a revolution in the way organisations saw their role. This particularly applied to the Board's and leadership of organisations that relied on private finance, rather than solely relying on charitable donations, grants or public sector sources of funding.

•A question was raised about whether the local partnership approach would survive national changes? This was recognised as an important question, but the Bristol Water view was not concerned about this – the history suggests that national changes often came out of ground breaking local initiatives (such as catchment management).

•The debate about who the social contract was for featured – is it just for informed stakeholders or customers. Bristol Water argued that the shared connection to society was inclusive by working with organisations who recognised that individual consumers not feeling connected to society were the most vulnerable. Therefore a social contract was for everyone, whether they recognised its existence or not. Some of these big questions would not be answered straight away, although there was a significant question about what would happen next to develop

the approach. However there was a feeling in the room that we shouldn't let uncertainty be the blocker of learning.

•There was seen to be a challenge for companies to keep local community groups engaged and there was a debate on how best to achieve this ensure that the shared connection was established. Seed funding and the use of partnerships with local organisations with a specific social focus were seen to be important. A connection around a common campaign or goal, championed by community ambassadors was also seen to be powerful.

•Another challenge to local water services was the potential for "postcode lottery" challenges that could emerge if national standards were not imposed. There was agreement that a hydrosocial contract made an important contribution to sustainable development and that for it to be successful, the purpose of the company and the ability to make profit needed to be wholly aligned with the Board's ability to make decisions through a social lens. Company values were seen to be a key enabler.

•The references to the Purposeful Company and British Academy work was discussed extensively. In the Q&A session Bristol Water staff who had been through the changes in focus of the company described how important to them the values that lay behind the social purpose of Bristol Water was to their day to day work.

•The importance of partnership working and collaboration – bringing people with differing views and objectives together, had a value in itself.

•A key topic in what comes next is embedding how wider benefits to society are embedded. This is

a challenge many organisations, including Community Interest Companies and "Not for Profit" organisations face when reinvesting in communities for social good. Clear prioritisation and assurance processes are needed, but who is provided with this assurance and the overall accountability for social good often remains unclear. This is a topic Bristol Water is working on with its partners, but it is an early stage as a concept.

•The topic of how you could prioritise the different opportunities for collaboration and partnership working, particularly the justification for spending customers' money on community initiatives, was discussed. The accountants and economists in the room discussed the links Bristol Water had identified to social impact assessment and "triple bottom line", with measuring benefits a key part of the new hydrosocial contract. The potential benefit to water industry planning, for instance providing better context for customer engagement and "Willingness to Pay" studies was raised.

•There was lengthy discussion on the benefits of a social contract in supporting behavioural change to reduce per capita consumption of water and in particular the role that community incentives might play in engaging community groups to stimulate this change.

•Another topic frequently raised in Bristol Water's journey was about whether the social contract was better written or unwritten, and the degree to which it was a one-way promise as a responsible company, or a two-way contract with citizens who had responsibilities (e.g. resource efficient behaviour) in return.

•The opportunity for a ratchet effect on awareness of the good work

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that a range of companies were doing through promoting each other's joint work (in particular through social media) was seen as a significant benefit of social contract concepts.

- Education was seen to be important, both as a means of achieving behavioural change and also as a way for companies to contribute to social mobility and equality. There was some challenge however to education being seen as just about the future consumers - the concept of social learning was raised that included a two way connection between today's workforce and educating the next generation.

- There was recognition that a local identity and connection was important. For example, Bristol clearly has a strong immediately identifiable focus, whereas some

of the other companies in the wider industry were far less distinguishable and the view of some attendees was that "big was no longer beautiful". In addition some companies had changed their names for various reasons, such as competing in national retail markets, and had arguably lost a local identity. Whilst others felt that large companies could overcome this with through the way they worked, not all were convinced they would be able to do this in practice, particularly without an authentic history and track record as a local company. Collaboration between large companies and local brands is one approach that may help.

- There was debate about linking the social contract to the supply chain, including the question of how to value wider benefits of partnership working within the

procurement process. This debate extended to the role of local versus national contracts in delivering benefits to local communities.

- There was generally agreement that it is no longer acceptable for water companies to provide a 'silent' service. There was seen to be opportunity for companies such as Bristol Water to build on a strong regional brand.

- The observation was made that water industry employees are often seen by customers to be heroic in response to a major event, with the question how do we build that respect and passion from our customers on a day to day basis?

- Finally, there was discussion about the benefits of a hydrosocial contract to staff, with this social purpose seen to help create a motivated and engaged workforce.

Mel Karam closed the event by thanking the attendees for contributing to what had been a positive and informative evening. Bristol Water had achieved its objective of being able to thank those who had helped shaped its thinking in developing the first ever social contract in the water sector. At the same time, a range of new thoughts and ideas had "sprung" during the evening make sure that a social purpose continued to reflect the local community Bristol Water serves, alongside our belief that it has a wider resonance.

