
Strategic Solution Accelerated Gate 1 Submission: Initial Concept Design

[Solution Title]

Date: [insert completion date]

Template version: 7 (27/05/2020)

Guidance for completing this submission

This document should provide a concise evidence of the solution's progress and ongoing viability. It is intended to be a factual, standalone summary of the solution. We expect the submission to be no more than 20-40 pages depending on the complexity of the solution.

The text under each heading outlines what is expected to be included in each section. Please use it as a guide and delete it on completion. Where relevant, cross-reference other sections within this document to avoid duplication.

Any references to materials outside of this document are intended to provide an audit trail. The submission must provide full and comprehensive information about the solution without the need to refer to other materials. However, all documents and data referred to in this submission must be made available to us on request.

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1. Executive summary

This should be a 1-page summary of the key elements of the submission:

- At-a-glance table setting out key facts and conclusions that allow comparisons with other solutions, highlight key risks and outline viability of the solution. This should include a statement from Southern Water articulating the current hierarchy of its solutions (ie, which of its available solutions is currently considered to provide best value for customers).
- Align with quarterly reporting dashboard.

2. Solution description

Key information (which could be tabulated) including an initial view of the following:

- Outline of the solution – what does it do.
- Options and configurations being considered.
- Relevant diagrams/schematics.
- Overall costs of the solution and costs to each gateway, construction and operation.
- Resource benefit of the solution and its potential conjunctive use benefit.
- Summary of social, environmental and economic assessment (impact and benefits of the solution – and their sensitivity to assumptions) and in-combination effects of solutions.
- Drinking water quality considerations.
- Wider resilience benefits, including those for other sectors – for example, benefits from reduced flood risk.
- Description of the interaction of this solution with other proposed water resources solutions.
- Explanation how this solution will meet the requirements set out in the National Framework and regional plan(s), if available.

3. Outline project plan

Clear project-level plan that sets out the key (solution-specific) activities and outputs that would need to be undertaken and achieved prior to each subsequent gate.

Sufficient detail to support assessment of progress in relation to delivery incentives (ie clarity around important milestones and interdependencies):

- Timing of solution being required (based on company and regional plans, as appropriate), and any updates if this changes.
- Phasing of key activities and decisions.
- Assumptions and dependencies.
- Pre-construction activities (such as scoping, detailed design, development consent order (DCO) and direct procurement for customers (DPC)).
- Planned construction start date.
- Earliest possible deployable output date (assuming planning started today) – which might be significantly earlier than the required date.
- Identify whether the programme is still on track.
- Include an estimate of overall project delivery timescales for subsequent gates.
- Missing information – outline what is missing/delayed, and how this will be addressed before gate two. What are the reasons for any missed milestones? Have delays had an impact on the overall programme?
- For solutions on the accelerated timetable, comment on the deliverability of the solution and all sub-options/configurations by the 2027 deadline.

Supporting evidence:	References/hyperlinks only
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4. Technical information

Preliminary feasibility and key data presented in a brief conceptual design report consistent with information provided to regional plans:

- Initial configuration/sub-option including a description how the solution will be operated. Include an indication of design life of the asset and any significant maintenance liabilities during operational life.
- Initial costing and estimating report supported by benchmarking evidence (with Capex/Opex breakdown).
- Initial water resource benefit assessment.
- Initial data available and provided to regional groups to support high-level assessment of regional water resource benefit.

Supporting evidence:	References/hyperlinks only
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5. Environmental and drinking water quality considerations

High level environmental statement:

- Initial option-level environmental assessments that meet local requirements and comply with Strategic Environmental Assessment and Habitats Regulations Assessments requirements, including consideration of in-combination effects and identification of environmental risks that need mitigating through the solution design and costing.
- Initial environmental, social and economic valuations (or metric benefits) consistent with principles in the National Planning Statement and Water Resource Planning Guidelines.

Include main conclusions and issues arising including results of environmental work carried out to date and plan for future work:

- How the solution contributes to environmental net gain.
- Initial outline of how the solution will take into account the carbon commitments.
- Outline of solution's benefits and the resilience criteria that will be used to assess the solution.
- As well as costs, include social and environmental benefits of the solution including amenity value.
- How the solution provides best value outcome for customers and the environment.

Initial drinking water quality considerations and risk assessments:

- Summary statement of the initial overall assessment of potential risks to drinking water quality and supply issues/resilience, including:
 - An outline of the plan for future work to develop Drinking Water Safety Plans.
 - Confirmation that the solution has been discussed with company Drinking Water Quality teams, and feedback on their initial views.
 - Confirmation of how DWI will be engaged in the discussion at solution-specific level.

Supporting evidence:	References/hyperlinks only
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6. Initial outline of procurement and operation strategy

Set out the options for funding, construction and operation:

- It is assumed that all solutions will meet the PR19 criteria for Direct Procurement for Customers (DPC) and follow the DPC process route. If the solution is not suitable for DPC, explain why.
- Articulate alternative procurement strategies that have been considered.

Explain the preferred model of ownership and operation:

- Outline the anticipated operational utilisation of the solution on the basis of a dry year annual average resource position. Explain the extent to which the solution is designed to operate during times of peak demand - during incidents or as part of an emergency response (if necessary, cross reference with technical content that features elsewhere in the submission).

Supporting evidence:	References/hyperlinks only
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7. Planning considerations

Initial considerations of planning application route (high level view of process and timelines):

- Highlight the key planning steps and risks (or cross-reference if covered elsewhere in this document - for example, in Stakeholder engagement section, if opposition from a particular group is likely to be encountered).
- Explain the preferred planning route for the solution – ie, is it likely to require Development Consent Order (DCO) or will it be promoted through a normal planning route (ie T&CP).

Supporting evidence:	References/hyperlinks only
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8. Stakeholder engagement

Summary of regional stakeholder engagement including customer preferences to identify any issues that need further investigation:

- Overview of engagement undertaken, completeness of stakeholder representation and key findings.
- High level summary of stakeholders' views.
- Any outstanding work or work to be undertaken before the next gate.

Supporting evidence:	References/hyperlinks only
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9. Key risks and mitigation measures

Assessment of key risks to the solution's planned progress to completion (including requirements at gates):

- Risks to costs and benefits, programmes of work, dependencies, assumptions; potential regulatory barriers, guidance or changes required for the solution to progress.
- Present the output of a risk assessment exercise showing the original and residual risk scores following mitigation. Outline any suggested mitigation measures.
- Ensure consistency with quarterly dashboards.

Supporting evidence:	References/hyperlinks only
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10. Option cost/benefits comparison

Initial comparison of solution's costs and benefits with alternatives (where there are any) or suboptions. Confirmation of consistency:

- A statement from Southern Water articulating the current hierarchy of solutions (ie, in the absence of a regional plan, which of the available solutions/combinations are considered to provide best value for customers).
- If the solution is selected, when will it be delivered?
- Are solution costs in line with relevant methodologies agreed with regulators and relevant green book guidance?

Supporting evidence:	References/hyperlinks only
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11. Impacts on current plan

Identify impacts of solution on current supply-demand balance delivery plan(s) with simple comparison to current programme solutions:

- Identify impacts on all WRMP(s) and other solutions in existing delivery plans

Supporting evidence:	References/hyperlinks only
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12. Assurance

Summary of external assurance as evidence of quality of data and approaches supported by Board statement:

- Assurance on the quality of the submission, consistency with documents referred to, and evidence of efficient cost expenditure. Provide sufficient detail to support assessment of quality in relation to delivery incentives with specific attention to the reliability and consistency of information provided.
- Joint solutions will require supporting statements from all partners' Boards.

Supporting evidence:	References/hyperlinks only
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13. Solution or partner changes

Identification of any changes in solution partner (other water company) or solution substitutions.

Supporting evidence:	References/hyperlinks only
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14. Efficient spend of gate allowance

Evidence of efficient spend to gate submission on gate activities:

- Include a breakdown of costs against activities undertaken and evidence of efficiency of spend (such as benchmarking of costs or tenders).
- Forecast spend to Gate 2.
- Ensure the above is included in your assurance process.

Supporting evidence:	References/hyperlinks only
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15. Proposed Gate 2 activities and outcomes

Proposals for Gate 2 activity and outcomes, and penalty scale, assessment criteria and contributions:

- Set out your proposals for Gate 2 activities, outcomes, penalty assessment criteria and incentives, including an explicit consideration of solution delay impacts.

Supporting evidence:	References/hyperlinks only
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