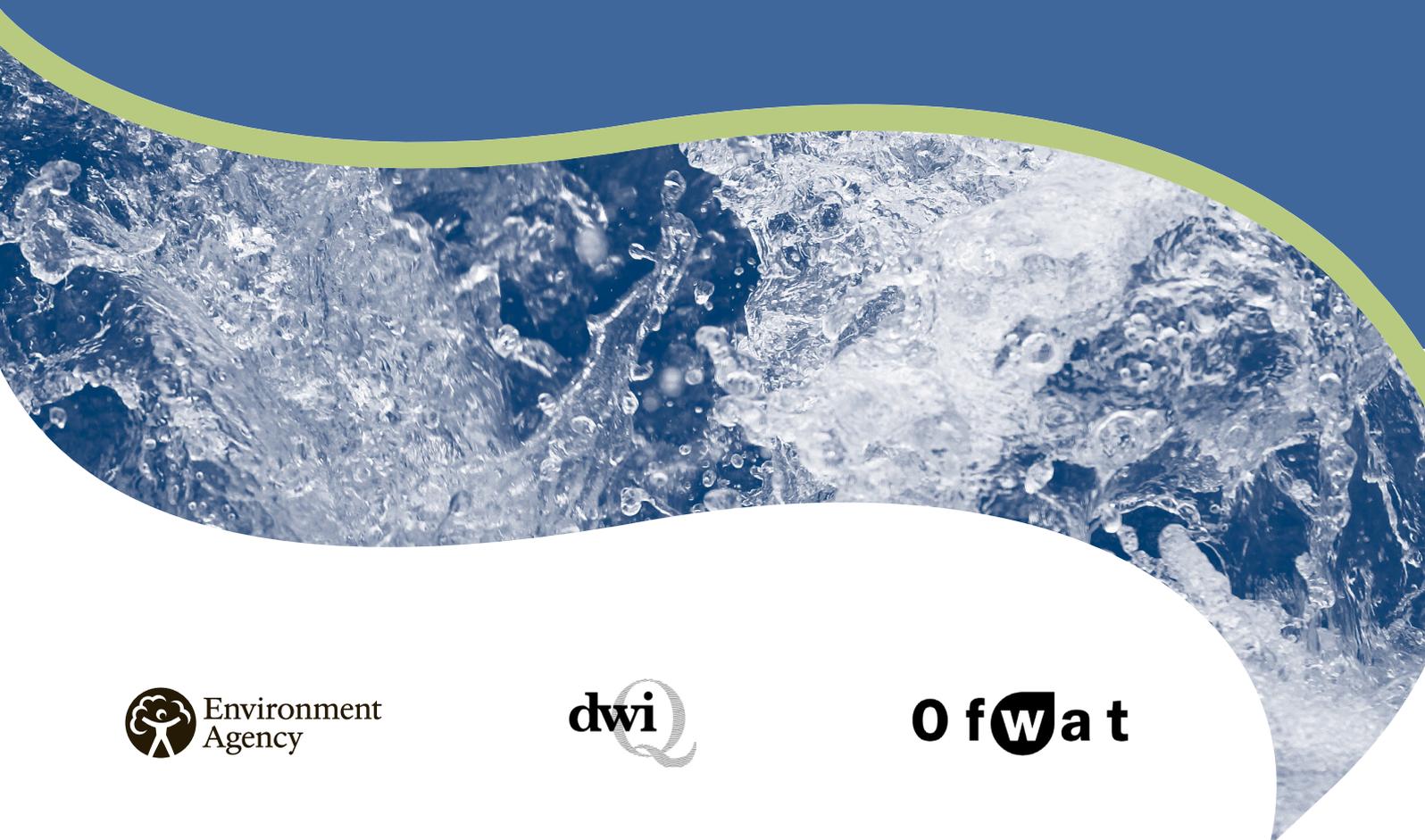


**Regulators' Alliance for Progressing  
Infrastructure Development**

July 2020



# Forward programme 2020-21



## The water resource resilience challenge and role of RAPID

The National Framework for Water Resources produced by the Environment Agency sets out the long-term water needs for England, including public water supplies. Meeting this need will require significant investment in infrastructure to increase supplies coupled with ambitious action to manage water demand. Managing demand will include helping people and industry to use water efficiently and reducing losses from water company and customer pipes. Investing to increase supply will include new options to produce, store and move water to where it is needed.

RAPID has been set up to identify and address issues relevant to the development of joint infrastructure projects and to analyse the feasibility of nationally strategic supply schemes. 17 schemes have been proposed so far. We are encouraging more schemes to be planned. These schemes have the potential to help meet the water needs set out in the National Framework for England. RAPID is working alongside the five regional water resources planning groups, to ensure that we have timely delivery of new infrastructure. Where necessary, RAPID will assist the regulators in identifying and overcoming potential regulatory and commercial barriers. RAPID is overseen by a Board chaired by the Ofwat CEO, with membership from each of the regulators.

Climate change is a present reality. Changes to weather patterns as a result of climate change mean that rainfall distribution is becoming less reliable across the country. The predicted shift to hotter drier summers and warmer wetter winters will affect overall water availability. And water is a basic necessity of our daily lives. Whilst water shortages are forecast to be most acute in the south and south east of England, widespread severe drought is a nationwide risk that needs to be managed.

We know that too much or too little rain has devastating effects on communities, businesses and the environment. RAPID will use the strategic supply schemes to identify opportunities to integrate approaches to water management, supporting sustainable development. This also includes explicitly considering the potential to reduce flood risk alongside increasing resilience to drought.

### **RAPID: Working together to keep water flowing**

The Regulators' Alliance for Progressing Infrastructure Development (RAPID) was set up in 2019. It is a joint team made up of the three water regulators Ofwat, Environment Agency and Drinking Water Inspectorate. We work with water stakeholders, taking opportunities to improve regulation and remove barriers, helping the sector respond to long-term water resources challenges while promoting the best interests of water users, society and the environment. The programme is intended to benefit Wales and England so we are actively engaging with Welsh Government, Natural Resources Wales and companies serving Wales.

## Forward programme 2020-21 – what RAPID will do this year

We recognise that this programme may need to be adapted depending on how the coronavirus pandemic develops. This document sets out RAPID's delivery priorities for 2020-21 within a longer-term programme. Delivering this ambitious plan will require a strong collaborative effort across the water management community. During 2020-21, appraisal of the current portfolio of 17 strategic schemes will begin. Progress on each will be decided at key points ('gates') which are linked to total funding allowances of £469 million. This year RAPID's focus will be:

- providing effective oversight of the strategic schemes;
- engaging people and organisations;
- evolving effective long-term water resources resilience;
- exploring regulatory and commercial opportunities, gaps and barriers; and
- developing a positive culture and driving performance.

We describe each of these areas in more detail below and set out the key deliverables in Table 1.

### Providing effective oversight of the strategic schemes

Through RAPID we have an unprecedented opportunity to analyse the feasibility, opportunities and trade-offs presented by developing a number of proposals for potential new strategic water supply schemes in parallel. This innovative approach enables choices to be made on optimal ways to secure resilient water supplies, delivering benefits to customers, the environment and wider society.

Using a gated process we will assess if the proposed schemes being developed by water companies are on track and progressing in a way that offers value to customers. This year we will continuously improve our quarterly monitoring and tracking of the progress of the schemes, building a comprehensive picture of their performance. Because Southern Water has a pressing need to fill the long-term gap between its supply and demand for water in the Hampshire area, three supply schemes that could help fill this deficit will follow an accelerated track. These schemes will have their first gate assessment in September this year.

We will publish what we have learned and use our experience to enhance our preparations for running the process for the other strategic schemes following a 'normal' timetable for their gate assessments.

## Engaging people and organisations

To be effective, we need to listen to and talk with a broad range of people and organisations. We will continue to engage with national stakeholders to develop relationships, seek views and understand their perspectives. Using examples, we will describe how strategic water resource options can be delivered in a way that provides value beyond public water supply.

We will co-ordinate the work of the five regional water resources groups and support the independent chair of the National Framework Senior Steering Group to help ensure the plans the regional groups are developing meet the needs set out in the National Framework for Water Resources and deliver for customers, society and the environment. We will lead a stakeholder and engagement group, using the insights they generate to support decision making in the regional and national interest.

One of the strategic options will source water from Wales. It is also possible that new strategic resource options will be proposed by water companies in Wales. We will engage with Welsh Government and Natural Resources Wales to make sure that they are fully involved in the planning and assessment of these schemes. Proposed schemes must align with Welsh legislation and policies so that we achieve common goals in a way that works for Wales.

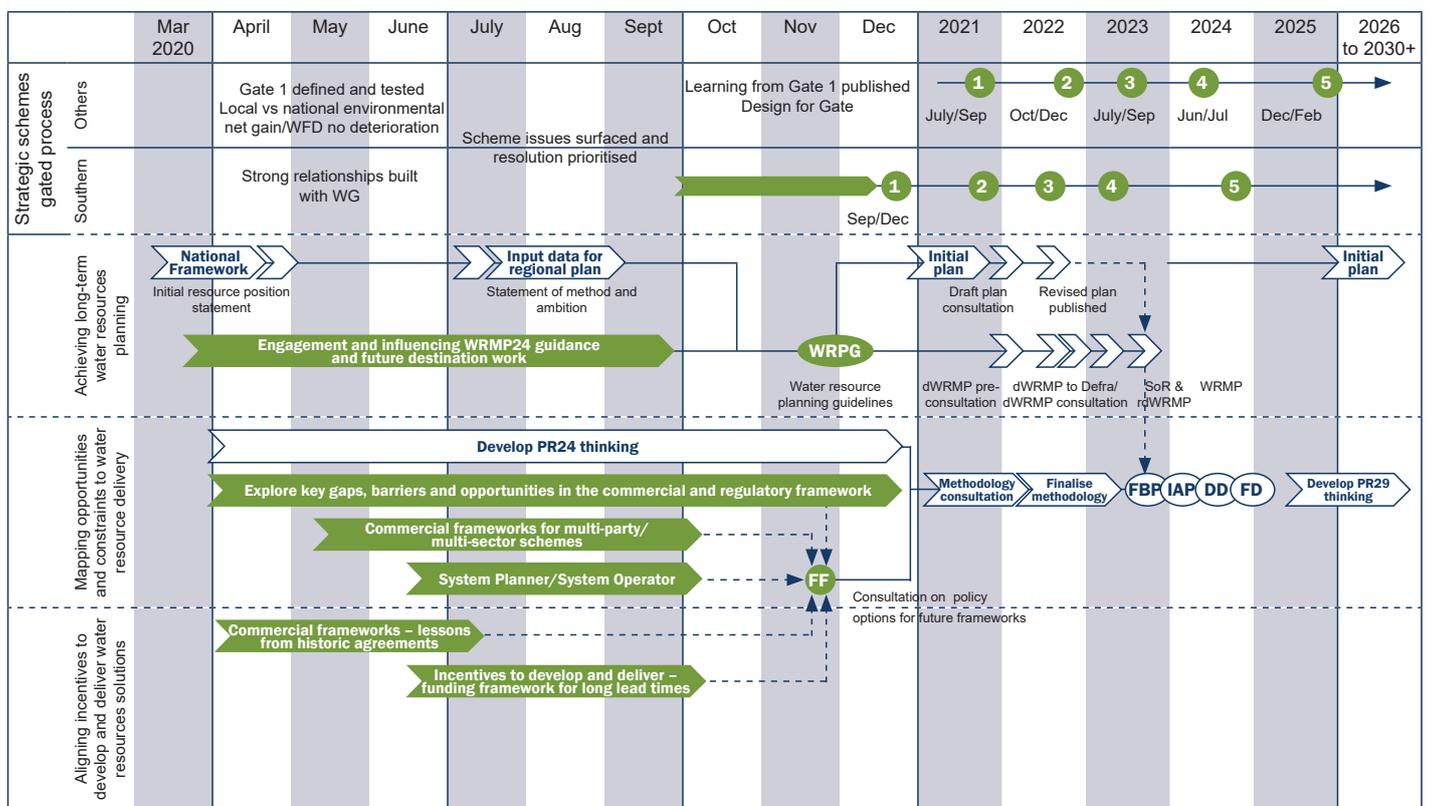
We will conduct a survey at the end of the year to evaluate the changes happening in water resource management and the impact of RAPID.

## Evolving effective long-term water resource resilience

Long-term water supply resilience starts with an integrated water resources plan. We will need to transform the way stakeholders plan for the future. DEFRA, Welsh Government and the regulators are committed to working with water users to help deliver these changes, aligning national, regional and water company needs. This activity will assist the ongoing work of the National Framework and milestone assessment for current Water Resource Management Plans (WRMP's). It will also inform the guidance for the first round of regional water resource plans and the next round of WRMPs (2024). The shift towards a holistic multi-sector, multi-company, multiple outcomes based approach to resource planning will pose new challenges, as will balancing local and national needs. RAPID will drive for collaborative solutions to issues that emerge, working with a wider pool of regulators including Natural Resources Wales and Natural England. This will result in options and recommendations for the RAPID Board and the sponsoring regulators to consider.

While each of the regional groups will focus on regional needs, RAPID will focus on the national picture. To support long-term decision making, this year RAPID will provide strategic direction and support to the development of a national simulation model for water resources. Modelling water resources in a manner that is not geographically constrained to company operating areas and regional group boundaries is important in identifying efficient and sustainable water resource solutions. Under RAPID's steer this modelling will be fully collaborative and co-created. It will provide government and stakeholders with confidence in a robust and independent validation of company and regional plans. RAPID will focus developments to enable the model to robustly test the strategic regional solutions for the standard track gate 1 in 2021, thus providing a valuable decision support tool which will be needed to inform recommendations.

## Road map



## Exploring regulatory and commercial opportunities, gaps and barriers

We are asking the water industry to develop water resources in a new way. The current regulatory and commercial arrangements may need to change to support this. This degree of change will inevitably expose challenges and issues. Because of our combined expertise from the three water regulators we are in a unique position to understand and solve complex issues that may emerge. We will use these emerging issues as indicators of the gaps and issues associated with relevant regulatory frameworks. Our work will target improving those frameworks.

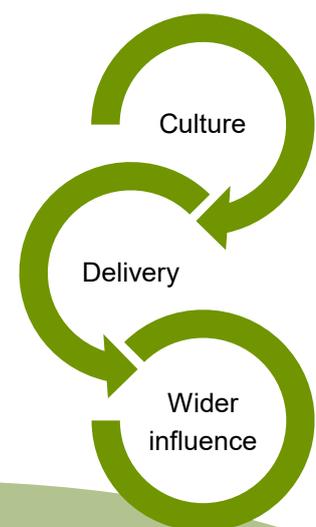
RAPID has carried out a review of the topics that new and shared infrastructure schemes will need to navigate. This year we will prioritise the work needed to support the water resource planning and price setting cycles. This will include working collaboratively with the regulators to shape the commercial frameworks for national/regional schemes and to consider whether there are currently local barriers that may inhibit the delivery of broader environmental gain or society value nationally. This will support the work of each regulator to develop its regulatory framework.

Several consultancy projects have been commissioned to introduce fresh thinking and innovation on priority topics. RAPID will act inclusively in our governance of these projects, using representatives of the regional water resource groups to help steer the work and recommendations.

## Developing a positive culture and driving performance

We want to make RAPID a great place to work. Over the year we will develop a core team of staff with the right skills to deliver our vision. We will have a performance framework that clearly embodies this forward programme into team objectives. As a combined team we can offer our people excellent opportunities to develop their skills and experience.

We will also develop career maps for our roles supporting succession planning and managing our people's talent.



**Table 1: Delivery plan 2020-21**

Theme	Deliverables Quarter 1	Deliverables Quarter 2	Deliverables Quarter 3	Deliverables Quarter 4
<b>Providing effective oversight of strategic schemes</b>	Gate 1 is defined and tested for the accelerated track schemes related to Southern Water's deficit in the Hampshire area	Facilitate progressing scheme issues, prioritising schemes that resolve Southern Water's deficit in the Hampshire area	Gate 1 assessment for accelerated track schemes	Publish learning from accelerated track Gate 1. Build learning into approaches for future gate assessments
<b>Engaging people and organisations</b>	Establish effective working with sponsor regulators, NE, NRW and Welsh Government	Develop illustrations of how schemes can offer wider value to society	Assess the quality of stakeholder engagement on accelerated track Gate 1 options	Survey stakeholders, report performance and set out plans for the year ahead
<b>Achieving effective long-term water resources resilience</b>	Policy issues are prioritised in the context of a longer-term 'road map' to enhance resilience planning and more effective allocation of water	Transformative change is agreed across the regulators and Government coherently and in an engaging way	RAPID provides a streamlined interface supporting the development of long-term regional plans	Development of National scale simulation modelling capability is progressed to help enable sponsor regulators to explore additional strategic policy options
<b>Exploring regulatory and commercial opportunities, gaps and barriers</b>	Begin identifying opportunities, gaps and barriers. Develop policy recommendations for the sponsor regulators to consider. For example, defining future outcome incentives linked to society's value	Ongoing consideration of opportunities, gaps and barriers, including reviewing the trade-off in national and local aspirations around the environment and society's value	Framework developed for better coordination of regulatory decisions.  Consultation on policy interventions and recommendations to resolve barriers and take advantage of opportunities	Tested some commercial and regulatory options for strategic schemes  Continued engagement with stakeholders on commercial and regulatory opportunities, gaps and barriers
<b>Developing a positive culture and driving performance</b>	We establish an effective core RAPID team and wider 'community' with sponsor regulators	We build a culture of curiosity and healthy challenge	We share initial reflections on how this regulatory innovation might have wider application	Feedback confirms RAPID is a great team to work with and grow within

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