

March 2022

# **Strategic regional water resource solutions: New proposed solutions gate one draft decision for Mendip Quarries**

# Strategic regional water resource solutions: New proposed solutions gate one draft decision for Mendip Quarries

## Contents

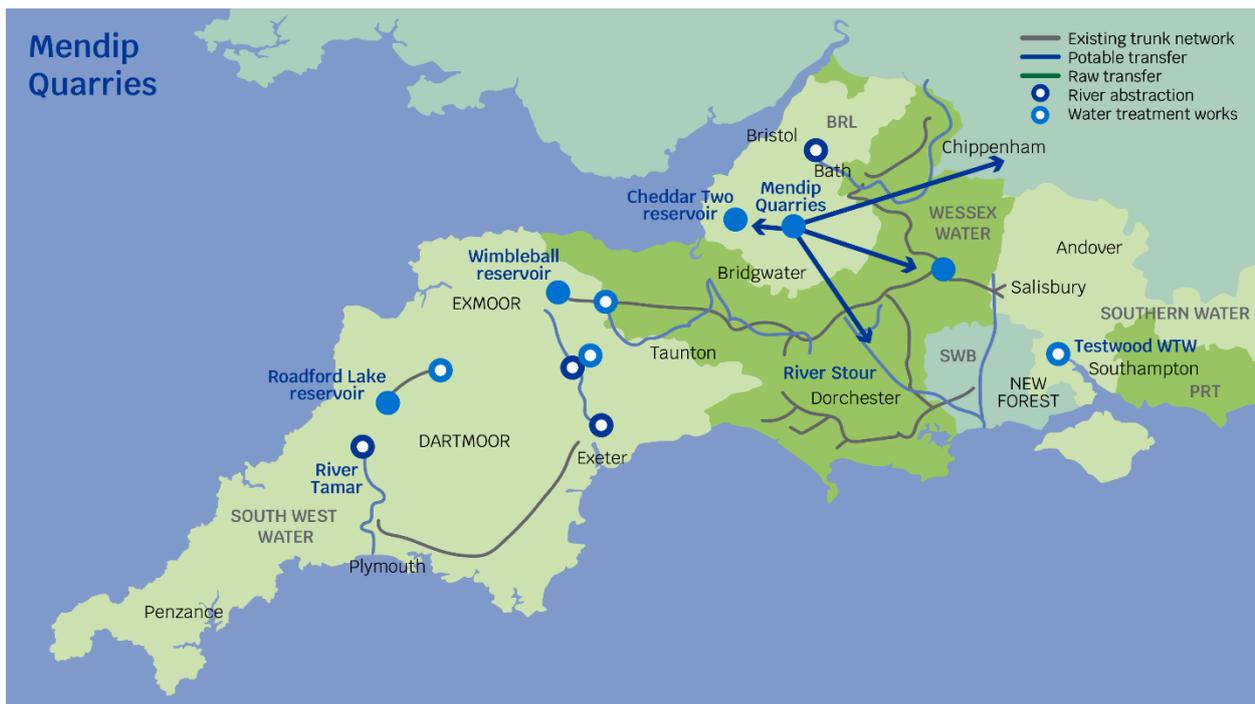
|   |    |
|---|----|
| 1. Introduction .....   | 2  |
| 2. Solution assessment summary .....                          | 5  |
| 2.1 Solution progression and funding to gate two .....        | 5  |
| 2.2 Evidence of efficient expenditure .....                   | 9  |
| 2.3 Quality of submission .....                               | 9  |
| 2.3.1 Solution Design .....                                   | 9  |
| 2.3.2 Evaluation of Costs & Benefits .....                    | 10 |
| 2.3.3 Programme and Planning .....                            | 11 |
| 2.3.4 Environment.....  | 12 |
| 2.3.5 Drinking water quality .....                            | 12 |
| 2.3.6 Board Statement and Assurance.....                      | 13 |
| 3. Proposed changes to partner arrangements .....             | 14 |
| 4. Actions and recommendations .....                          | 15 |
| 5. Gate two activities .....                                  | 16 |
| 6. Next steps .....   | 17 |
| Appendix: Priority Actions, Actions and Recommendations ..... | 18 |

# 1. Introduction

The purpose of this publication is to set out our draft decision in respect of the Mendip Quarries strategic regional water resource solution submitted for gate one assessment by solution owners Wessex Water and South West Water.

A quarry has been identified in the Mendip Hills suitable to be re-purposed, once decommissioned, as a reservoir. Four transfer options have been proposed that could provide benefits to West Country Water Resources (WCWR) companies (via raw water transfer to Bristol Water, Wessex Water and Bournemouth Water (South West Water) or via treated water transfer to Wessex Water) and benefits to South East water companies (via raw water transfer to the River Thames to Thames Water, South East Water and Affinity Water or a treated water transfer to Southern Water). Further information concerning the background and context of the Wessex Water and South West Water Mendip Quarries can be found in the Mendip Quarries publication document on the Wessex Water<sup>1</sup> and South West Water<sup>2</sup> websites.

**Figure 1. The Mendip Quarries Reservoir Solution and Transfer Options**



This publication should be read in conjunction with the draft decision letter issued to each solution sponsor. Both this document and draft decision letters have been published on our website today.

<sup>1</sup>[Regional water resources | Wessex Water](#)

<sup>2</sup>[mendip-quarries-sro-gate-one-report-december-2021.pdf \(southwestwater.co.uk\)](#)

The assessment process is overseen by RAPID, with input from the partner regulators Ofwat, the Environment Agency and the Drinking Water Inspectorate. The Environment Agency together with Natural England have reviewed the environmental sections of the submissions, and provided feedback to RAPID. The Consumer Council for Water provided input to the assessment on customer engagement.

The solution owners and other interested parties can now respond to the draft decision. Representations are invited by email to [rapid@ofwat.gov.uk](mailto:rapid@ofwat.gov.uk) and the representation period will close at 6pm on 12th April 2022. All representations will be considered before our final decision is published at 10am on 17th May 2022.

We will publish representations on our website at [www.ofwat.gov.uk/regulated-companies/rapid](http://www.ofwat.gov.uk/regulated-companies/rapid), unless you indicate that you would like your representation to remain unpublished. We will also share representations with our partner regulators, Ofwat, the Environment Agency and the Drinking Water Inspectorate and with Natural England. Subject to the following exceptions, by providing a representation to this consultation you are deemed to consent to its publication.

If you think that any of the information in your response should not be disclosed (for example, because you consider it to be commercially sensitive), an automatic or generalised confidentiality disclaimer will not, of itself, be regarded as sufficient. You should identify specific information and explain in each case why it should not be disclosed (and provide a redacted version of your response), which we will consider when deciding what information to publish. As minimum, we would expect to publish the name of all organisations that provide a written response, even where there are legitimate reasons why the contents of those written responses remain confidential.

In relation to personal data, you have the right to object to our publication of the personal information that you disclose to us in submitting your response (for example, your name or contact details). If you do not want us to publish specific personal information that would enable you to be identified, our [privacy policy](#) explains the basis on which you can object to its processing and provides further information on how we process personal data.

In addition to our ability to disclose information pursuant to the Water Industry Act 1991, information provided in response to this consultation document, including personal data, may be published or disclosed in accordance with legislation on access to information – primarily the Freedom of Information Act 2000 (FoIA), the Environmental Information Regulations 2004 (EIR) and applicable data protection laws.

Please be aware that, under the FoIA and the EIR, there are statutory Codes of Practice which deal, among other things, with obligations of confidence. If we receive a request for disclosure of information which you have asked us not to disclose, we will take full account of your explanation, but we cannot give an assurance that we can maintain confidentiality in all circumstances.

We would like to thank Wessex Water and South West Water for the level of engagement, collaboration, and innovation that they have exhibited during this stage in the gated process.

## 2. Solution assessment summary

Table 1 Draft gate one submission decision summary

| Recommendation item   | Mendip Quarries                   |
|---|-----------------------------------|
| Solution owners   | Wessex Water and South West Water |
| Should further funding be allowed for the solution to progress to gate two?   | Yes                               |
| Is there evidence all expenditure is efficient and should be allowed?         | Not applicable                    |
| Delivery incentive penalty?   | Not applicable                    |
| Is there any change to partner arrangements?                                  | Not applicable                    |
| Are there priority actions for urgent completion?                             | Yes                               |
| Funding will be allowed for the solution to join the standard gate programme. |                                   |

### 2.1 Solution progression and funding to gate two

In considering whether this solution should join the RAPID programme we considered the following questions:

- Is there value in accelerating the solution's development to be 'construction ready' for the 2025-2030 period?
- Does the solution need additional enhancement funding for investigations and development?
- Does the solution need the additional regulatory support and oversight provided by the Ofwat gated process and RAPID?
- Does the solution provide a similar or better cost / water resource benefit ratio compared to current solutions?
- Does the solution have the potential to provide similar or better value (environmental, social and economic value – aligned with the Water Resources Planning Guideline) compared to current solutions?

Table 2 Draft decision summary to join the RAPID programme

| Recommendation item  | Additional solution (Mendip Quarries) |
|--|---------------------------------------|
| Solution sponsor   | Wessex Water and South West Water     |
| Is there value in accelerating the solution's development to be 'construction ready' for the 2025-2030 period? | Yes                                   |
| Does the solution need additional enhancement funding for investigations and development?                      | Yes                                   |

|  |     |
|--|-----|
| <b>Does the solution need the additional regulatory support and oversight provided by the Ofwat gated process and RAPID?</b>   | Yes |
| <b>Does the solution provide a similar or better cost / water resource benefit ratio compared to current solutions?</b>  | Yes |
| <b>Does the solution have the potential to provide similar or better value (environmental, social and economic value – aligned with the Water Resources Planning Guideline) compared to current solutions?</b>   | Yes |
| <p>Additional ring-fenced funding is allowed for progressing this solution through to gate four with a total allowed development allowance of £30.08m (for gate two to four activities). It will be shared equally between the solution owners, South West Water and Wessex Water, unless the solution owners agree and notify RAPID of alternative cost sharing proportions before the end of the representation period.</p> <p>This funding is allowed in accordance with the conditions and requirements as outlined in the <a href="#">PR19 final determinations: Strategic regional water resources solution appendix</a></p> |     |

This solution has been presented to RAPID with the potential to support West Country Water Resources companies Bristol Water, Wessex Water, Bournemouth Water (South West Water) and South East water companies, Thames Water, South East Water, Affinity Water and Southern Water customers.

We consider there is value in accelerating the solution development to be construction ready for the 2025–2030 period. Construction of the reservoir is already underway via quarrying activity now and there is therefore more certainty regarding its deliverability and less risk of project delays compared to similar reservoir solutions which have not yet started construction. Although the quarry will not be decommissioned until 2040s work can be completed while it is still operating including construction of inlet / outlet conveyance, water treatment works and in-reservoir works which need to be constructed before dewatering is switched off from the 2030s. Mendip quarries has also been identified as a key strategic solution within the emerging West Country Water Resources regional plan<sup>3</sup> to meet a supply demand balance need in the 2040s.

There are four years of uncertainty around the quarry decommissioning date in the 2040s (the quarry owner has planning permission to excavate mineral resource until then) and three years of uncertainty around the earlier start date of the planned parallel work in 2030s due to market conditions and geological challenges as the quarry goes deeper. This uncertainty is being mitigated by the solution owners by proactively engaging with the quarry owner and investigating other potential quarries which could be used in a similar way within the Mendips quarries complex.

We conclude that the solution does need additional enhancement funding for its further investigation and development.

<sup>3</sup> <https://www.wcwr.org/get-involved/emerging-plan-for-consultation-and-comment-january-2022/>

There are activities which need to be continued before 2025 such as engagement (including with the quarry/landowner, and the Environment Agency to secure the water source and quarry as an available option), studies to determine the solution's overall viability and feasibility and investigations into other potential quarries which could be used in a similar way.

To ensure continued project momentum towards 2040s solution delivery and that the project is on track for a robust gate two submission we agree to additional enhancement funding at this stage. The project is currently tracking well ahead of broader water resource management plan (WRMP) solutions and retaining the solution within the RAPID gated process will enable the key milestone of establishing project feasibility at least three years earlier. We conclude that the enhancement funding would allow the solution to go further and faster and that there is value for customers in doing so rather than waiting.

The additional regulatory oversight and governance and structure around the RAPID process will support Wessex Water and South West Water in working together to develop this solution.

We agree that the solution would benefit from regulatory oversight to the point where it is then put on hold until development can begin. The solution has the potential to be a true regional or inter-regional resource with options to convey the water to Bristol Water, Wessex Water, Bournemouth Water (South West Water), Thames Water or Southern Water. We agree that it is an innovative alternative solution to reservoir development with a multi-sector element linking the water sector and the minerals sector.

The gated process would provide a collaborative environment both with the regulators, the water companies and regional groups for this solution to be developed and would ensure consistency with equivalent strategic solutions. We believe that the regulatory oversight and governance and structure of the RAPID process will support South West Water and Wessex Water in working together to develop this solution.

We consider that the solution provides a similar or better cost / water resource benefit ratio compared to other solutions. Compared to other reservoirs which need to be constructed, the reservoir will have already been created through quarrying and the water treatment, and conveyance work which will need to be constructed is similar to other solutions.

We further agree that the solution has the potential to provide similar or better value (environmental, social and economic value – aligned with the Water Resources Planning Guideline) compared to other solutions. We note in particular that the environmental and carbon impact will be lower and anticipate that the environmental and social value could be higher than similar reservoirs as the reservoir structure will already exist when the quarry is decommissioned. Conveyance options include normal environmental impact and mitigations.

Our decision is for the Mendip quarries solution to progress within the RAPID gated process to maintain project momentum and project development. Funding is allocated to gate four,

however the allocation will be reviewed at gates two and three. As we have noted above, there is uncertainty regarding the timing of this solution and construction of the parallel works beyond construction of the reservoir structure itself would not start until at least 2031. If the solution were to be developed too quickly information would be outdated by the time the companies apply for consents, which would then require duplicative work and inefficient spend. We therefore consider it appropriate to review the need for enhancement funding at each subsequent gate.

The solution will be scrutinised against the progression criteria at gate two and we expect the water companies to provide robust justification and evidence to support solution progression to gate three at that stage.

**Table 3 Mendip Quarries funding allowances**

|                        | Gate one                                | Gate two  | Gate three   | Gate four  | Total  |
|------------------------|---|---|--|--|--|
| <b>Mendip Quarries</b> | N/A                                     | £5.01m  | £11.70m  | £13.37m  | £30.08m  |
| <b>Comment</b>         | No gate one allowance for new solutions | 15% of development allowance calculated as 6% of total solution cost including WCWR transfers | 35% of development allowance calculated as 6% of total solution costs including WCWR transfers | 40% of development allowance calculated as 6% of total solution costs including WCWR transfers | 90% of development allowance calculated as 6% of total solution costs including WCWR transfers |

The total allowance is consistent with the way the allowances were calculated at PR19 (6% of the total solution cost estimate including West Country Water Resources transfers £557 million). However, with no gate one allowance, remaining gates are calculated by applying the relevant percentages to the same total development allowance (6% of solution costs). This results in a total allowance of £30.08m.

Funding will be shared equally between the solution owners, Wessex Water and South West Water, unless the solution owners agree and notify RAPID of alternative cost sharing proportions before the end of the representation period.

This funding is allowed in accordance with the conditions and requirements as outlined in the [PR19 final determinations: Strategic regional water resources solution appendix](#). Funding is allocated to gate four however the allocation will be reviewed at gates two and three to ensure investigations and development of the solution happen at the right time taking into account uncertainties regarding timing and anticipated earliest start of construction in 2031.

## 2.2 Evidence of efficient expenditure

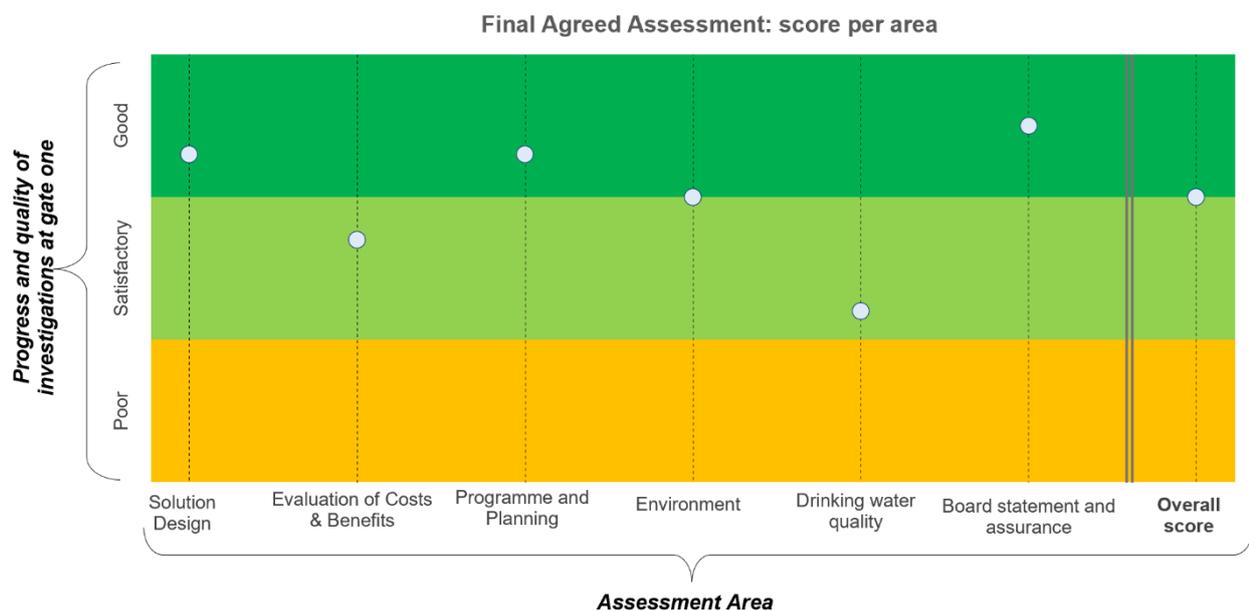
This is a new solution to the programme. The Mendip Quarries solution has received no funding from the RAPID programme to date and therefore no assessment of expenditure has been undertaken.

## 2.3 Quality of submission

The aim of the assessment was to determine whether appropriate progress has been made towards delivery of the solution. We recognise at this stage solutions may be at different development points and the assessment takes this into account.

Figure 2 shows our assessment of the work completed on the solution, which was presented in the submission. Our assessment was made against the criteria of robustness, consistency, and uncertainty to grade each area of the submission as good, satisfactory, or poor in accordance with [our guidance published on 22 February 2021](#). We also assessed the Board assurance provided.

**Figure 2. Submission Assessment**



Our overall assessment for the solution submission is that it is good (meets expectations).

### 2.3.1 Solution Design

Our assessment of the solution design considered the quality of the evidence provided on the initial solution and options; the anticipated operational utilisation of solutions; the interaction of the solution with other proposed water resource solutions and stakeholder and

customer engagement. The assessment also considered whether information was provided on the context of the solution's place within company, regional and national plans.

We consider Wessex Water and South West Water have provided sufficient evidence of progress in developing the solution design for gate one.

The solution design is good at this initial stage of development with work to gate two clearly detailed. We consider that further work should include focus on two areas in particular.

Firstly, with regard to utilisation there is a need to ensure that this is determined through regional modelling as part of gate two, including uncertainty and sensitivity. A detailed explanation of the methodology for defining utilisation from the regional modelling at gate two should also be provided.

Secondly, there is an urgent need to provide an action plan for engagement with local stakeholders, with specific dates for engagement, before gate two. To improve the gate two submission there is a need to ensure outputs of further engagement activities are included. As part of this further engagement, the Consumer Council for Water should be included in WCWR regional plan engagement going forward and should be consulted on any plans for customer research.

### **2.3.2 Evaluation of Costs & Benefits**

Our assessment of the evaluation of costs and benefits considered the quality of the information provided on initial solution costs; the societal, environmental, and economic cost and benefits, water resource benefits and wider resilience benefits. The assessment also considered whether evidence was provided on how the solution delivers a best value outcome for customers and the environment.

We consider the evidence Wessex Water and South West Water have provided satisfactory evidence of evaluating the costs and benefits of the solution for gate one in some areas however sufficient evidence of progress has been provided for gate one.

Given the early stage of the solution's development, the evaluation of costs and benefits are broadly in line with what we would expect, but are lacking detail and quantification in some areas.

There is a need to include metric benefits associated with the options and to ensure that societal, economic and wider resilience benefits are investigated and quantified as part of the gate two submission.

The natural capital assessment (NCA) and biodiversity net gain assessment (BNG) should be updated providing greater detail on metrics used and potential impacts on Ancient Woodland

with a recommendation that whilst restoring the quarry to create lake habitat will provide some benefit, we would like to see greater ambition for enhancing BNG, such as creating wide shelves at the margins to provide diverse riparian habitats.

Best value metrics should be consistent with regional planning and used to show how the solution provides best value to customers beyond least cost. By the gate two submission there is a need to compare costs and benefits of the options considered to provide best value for customers.

The solution owners should include WCWR and Water Resources South East (WRSE) regional plan Best Value Plan outputs and ensure consistency with the regional best value assessment. The best value assessment should have uncertainty and sensitivity and methods explained. South West Water and Wessex Water should further develop the best value assessment of the Mendip quarries solution alongside, and as part of, regional plan reconciliation and WRMP preparation.

The deployable output should be reassessed and refined under 1 in 500 drought resilience for both dry year annual average and dry year critical period scenarios following the outputs of regional modelling; uncertainty and sensitivity and methods should be explained. There should be continued investigation of the impact of the unlined nature of the quarry in terms of leakage. Further engagement is also needed with the Environment Agency and stakeholders on the feasibility of altering annual licences and hand-off-flows on the River Avon.

### **2.3.3 Programme and Planning**

Our assessment of the programme and planning considered whether Wessex Water and South West Water presented a programme with key milestones and whether its delivery is on track. The assessment also considers the quality of the information provided on risks and issues to solution progression, the procurement and planning route strategy and subsequent gate activities with outcomes, penalty assessment criteria and incentives.

We consider the evidence provided by Wessex Water and South West Water regarding the programme and planning, risks and issues and the procurement and planning route strategy for Mendip Quarries to be of good detail and quality for gate one.

Given the early stage of the solution's development, the programme and planning elements of this submission are broadly in line with what we would expect, save for the procurement and planning route strategy, where we would like to see greater exploration of different potential tender models and greater clarity around the development consent order (DCO)/procurement timeline.

### **2.3.4 Environment**

Our assessment of environment considered the initial environmental assessment; the identification of environmental risks and an outline of potential mitigation measures; the detailed programme of work used to address environmental assessment requirements and the initial outline of how the solution will take into account the carbon commitments.

We consider the evidence Wessex Water and South West Water have provided falls short of expectations for progressing the environmental assessment, potential mitigations, future work programmes and embodied and operational carbon commitments for gate one in some areas but that overall satisfactory evidence of progress has been provided for gate one.

Areas where we would have expected to see more information at gate one include consideration of reasonable alternative sites and assessment of potential impacts on the Mendip Woodlands Special Areas of Conservation (SAC) including the impacts of recreational use of the proposed reservoir. It is important that the hydrogeological assessment and modelling of the solution includes the ecological requirements of the SAC.

In addition, the current proposals for abstraction at Newton Mendip do not fully acknowledge the environmental constraints on the wider catchment. The solution owners should engage with the Environment Agency to progress the approach for abstraction licensing to facilitate capture of high flows whilst providing the required environmental safeguards.

### **2.3.5 Drinking water quality**

Our assessment of drinking water quality considered drinking water quality and risk assessments; evidence that the solution has been discussed with the drinking water quality team and a plan for future work to develop Drinking Water Safety Plans (DWSPs).

We consider that the information provided in this submission on drinking water quality risks, stakeholder engagement and DWSPs was satisfactory. It falls short of gate one expectations for drinking water quality in some areas. South West Water and Wessex Water should address shortfalls by investigating any risks associated with River Avon and surrounding catchment for inclusion in DWSP and risk assessment development should ensure that this is informed by appropriate discussion with relevant drinking water quality teams.

We expect to see further development of DWSPs, water quality monitoring, including for emerging contaminants, and wider stakeholder engagement with ongoing dialogue with the respective water quality teams in gate two.

### **2.3.6 Board Statement and Assurance**

The evidence provided relating to assurance has been assessed as good. The Boards of each solution owners have provided statements that indicate that they are satisfied that Mendips Quarries meets the requirements for a new solution outlined in RAPID's guidance and that they support the recommendation for the solution to become a RAPID solution.

We note that the statement was unsigned; at gate two statements must be signed by the full Board or on behalf of the Board with clear explanation of delegation of authority from the Board to sign the statement. Further guidance regarding board assurance at gate two is provided in RAPID's guidance.

### **3. Proposed changes to partner arrangements**

This is a new solution. The proposed partners are Wessex Water and South West Water. Funding allowances are shared equally between the proposed partners unless they agree and notify RAPID of alternative cost sharing proportions before the end of the representation period.

## 4. Actions and recommendations

Where the submission has not been assessed as 'meeting expectations' we have provided feedback on where we will seek remediation of the issues. We have also identified specific steps that solution owners should take in preparing for gate two.

We have categorised these remediation issues and steps into priority actions, actions and recommendations.

Priority actions are those that should have been completed at gate one and must now be addressed on a short timescale in order to make sure the solutions stay on track. The solution owners should address the priority actions during the representation period and provide evidence that they have done so in their representation.

We have also identified actions that should be addressed in full in the gate two submission. The response to these actions will influence the assessment of the gate two submission.

Recommendations are issues where additional information or clarification could improve the quality of future submissions. All priority actions, actions and recommendations are listed in the Appendix.

## 5. Gate two activities

The solution will be funded to gate two as part of the standard gate track.

For its gate two submission, we expect Wessex Water and South West Water to complete the activities listed in [PR19 final determinations: strategic regional water resources solutions appendix](#) as expanded on in its gate one submission and to comply with the [Strategic regional water resource solutions guidance for gate two](#).

## 6. Next steps

Following publication of this gate one draft decision solution owners and other interested parties are invited to respond to the draft decision. Representations, including evidence from solution owners that priority actions (identified in the Appendix) have been addressed, can be made by email to [rapid@ofwat.gov.uk](mailto:rapid@ofwat.gov.uk) and will close at 6pm on 12th April 2022.

All representations will be considered before our final decision is published at 10am on 17th May 2022.

## Appendix: Priority Actions, Actions and Recommendations

| Priority Actions – to be addressed during the representation period |                        |   |
|---|------------------------|---|
| 1   | Solution Design        | Provide an action plan for engagement with local stakeholders including specific dates for engagement before gate two.  |
| 2   | Drinking Water Quality | Written confirmation required that there is liaison with relevant drinking water quality teams.   |
| Actions – to be addressed in gate two submission                    |                        |   |
| Number  | Section                | Detail  |
| 1   | Cost and Benefits      | Include metric benefits associated with the options and how the solution provides best value to customers beyond cost. Ensure societal and economic metric benefits are considered. Update natural capital assessment (NCA) & biodiversity net gain (BNG) providing greater detail on metrics used and potential impacts on Ancient Woodland. |
| 2   | Cost and Benefits      | Ensure wider resilience benefits are investigated and quantified. Include resilience metric benefits associated with the options, ensuring these are consistent with regional planning, and how this contributes to the solution providing best value to customers beyond cost.   |
| 3   | Cost and Benefits      | Compare costs and benefits of the options considered and demonstrate which of the solution options are considered to provide best value for customers. Include both WCWR and WRSE regional plan Best Value Plan outputs in the submission.  |
| 4   | Programme and Planning | Please provide analysis for the different tender models for delivery of this project via DPC.   |
| 5   | Environment            | Consider all reasonable alternative sites within the site selection study proposed for gate two.  |
| 6   | Environment            | Progress and complete the full assessment of the potential impacts on the integrity of the Mendip Woods SAC.  |
| 7   | Environment            | Complete hydrogeological assessment and modelling of the scheme to include the ecological requirements of the Mendip Woods SAC.   |
| 8   | Environment            | Consider the potential impacts of the recreational use of the proposed reservoir and surroundings on the Mendips Woods SAC  |
| 9   | Environment            | Ensure that the water quality assessment of the options covers all hydrologically connected designated sites and for the River Stour option show that nutrient neutrality requirements are met for the SACs associated with the Solent.   |

|                        |                        |  |
|------------------------|------------------------|--|
| 10                     | Environment            | The current proposals for abstraction at Newton Mendip do not fully acknowledge the environmental constraints on the wider catchment. Engage with the Environment Agency to progress the approach for abstraction licensing to facilitate capture of high flows whilst providing the required environmental safeguards.  |
| 11                     | Drinking Water Quality | Investigate any risks associated with River Avon and surrounding catchment for inclusion in Drinking Water Safety Plan and risk assessment development. DWSP and risk assessment to include risks identified with R Avon and surrounding catchment in line with All Company Working Group (ACWG) methodology.  |
| <b>Recommendations</b> |                        |  |
| <b>Number</b>          | <b>Section</b>         | <b>Detail</b>  |
| 1                      | Solution Design        | Ensure utilisation is determined through regional modelling as part of gate two, including uncertainty and sensitivity. Provide detailed explanation of the methodology for defining utilisation from the regional modelling. Reassess operation for baseload supply vs resilience following regional plan reconciliation.   |
| 2                      | Solution Design        | Review with regulators the implications of option to transfer water to WRSE via Kennet & Avon Canal as reconciliation of regional plans progresses in the context of water company environmental obligations on designated sites under Habitat Regulations.  |
| 3                      | Solution Design        | Ensure outputs of further engagement activities are included for gate two. Ensure the Consumer Council for Water are included in WCWR regional plan stakeholder engagement going forward and is consulted on any plans for customer research.  |
| 4                      | Cost and Benefits      | Ensure consistency with the regional best value metrics following the outputs of regional modelling with uncertainty and sensitivity and methods explained.  |
| 5                      | Cost and Benefits      | There is a need for BNG enhancements to show greater ambition. Whilst restoring the quarry to create lake habitat will provide some benefit, we would like to see, additional BNG enhancements such as creating wide shelves at the margins to provide diverse riparian habitats.  |
| 6                      | Cost and Benefits      | Reassess and refine solution Deployable output (DO) benefits under 1 in 500 drought resilience for both dry year annual average and dry year critical period scenarios following the outputs of regional modelling with uncertainty and sensitivity and methods explained. Continue to investigate to gate two the impact of the unlined nature of the quarry in terms of leakage. Engage further with the Environment Agency and stakeholders on the feasibility of altering annual licences and hands-off-flows on the River Avon. |
| 7                      | Cost and Benefits      | Ensure consistency with the regional best value assessment following the outputs of regional modelling with uncertainty and sensitivity and methods explained. Further develop best value assessment alongside regional plan reconciliation and WRMP preparation.  |
| 8                      | Programme and Planning | Engage with our DPC team regarding the proposed procurement timetable and how this timetable aligns with the DCO process.  |

**Ofwat (The Water Services Regulation Authority)  
is a non-ministerial government department.  
We regulate the water sector in England and Wales.**

Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham B5 4UA  
Phone: 0121 644 7500

© Crown copyright 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3).

Where we have identified any third party copyright information, you will need to obtain permission from the copyright holders concerned.

This document is also available from our website at [www.ofwat.gov.uk](https://www.ofwat.gov.uk).

Any enquiries regarding this publication should be sent to [mailbox@ofwat.gov.uk](mailto:mailbox@ofwat.gov.uk).

**OGL**