

Regulators' Alliance for Progressing  
Infrastructure Development

March 2022



# Forward programme 2022-23



## About this document

This document sets out the 2022-23 delivery priorities for the Regulators' Alliance for Progressing (water supply) Infrastructure Development (RAPID). It covers the period 01 April 2021 to 31 March 2022. The RAPID forward programme fits within Ofwat's [2022-23 forward programme](#) and contains more detail about how we will deliver the RAPID milestones in that programme. The 2022-23 programme builds on RAPID's progress against its [2021-22 forward programme](#). This will be set out in RAPID's annual progress report.

RAPID was set up in 2019. It is a partnership made up of the three water regulators in England – Ofwat, the Environment Agency (EA) and the Drinking Water Inspectorate (DWI). We work with 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 RAPID programme is intended to benefit England and Wales. In 2020, Natural Resources Wales (NRW) joined the RAPID advisory group enabling us to work more closely going forward. NRW has a decision-making role for any solution involving Wales, Welsh policy and legislation.

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# 1. The water resource resilience challenge and the role of RAPID

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. While 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.

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. The options developed also need to aid nature recovery, delivering environmental net gain and using the power of nature where appropriate.

RAPID has been set up to facilitate cross-regulatory collaboration on the development of strategic water supply infrastructure projects and to address issues relating to their development with a view to establishing an enduring regulatory framework for such projects. RAPID is overseen by a Board chaired by the Ofwat CEO, with members from the senior leadership teams of each of the partner regulators (Ofwat, EA and DWI). RAPID has three roles, which inter-relate.

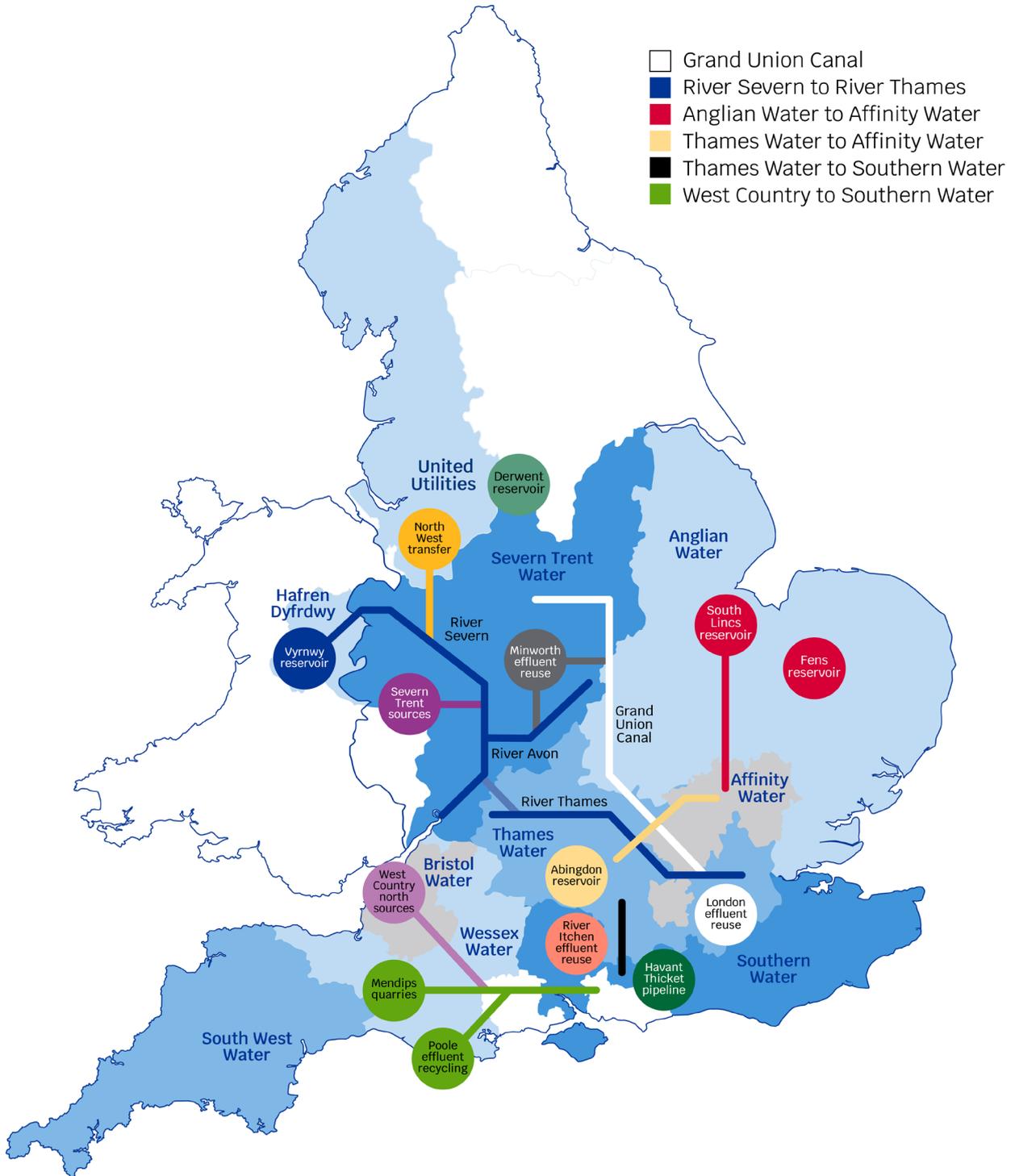
## 1.1 Delivery of the gated process

RAPID's first role is to provide oversight of the gated process which supports, reviews and challenges the development and delivery of the strategic water resource solutions funded using the £469 million ring-fenced programme established as part of the 2019 price review. These solutions should be construction ready in the next price control period, 2025-30, except for those on the accelerated track which it was originally intended should be operational by the end of 2027.

There are currently 18 solutions in the RAPID programme – of the 17 outlined in the [PR19 final determinations: strategic regional water resource solutions appendix](#), four have merged into two and one (Fawley desalination) has left the programme. Four new solutions have joined the programme: direct transfer from Havant Thicket reservoir – which joined at accelerated gate one; Fens reservoir and transfer – which joined at standard gate one; and Mendips quarries and Upper Derwent Valley reservoir extension which are expected to join the standard track in May 2022.

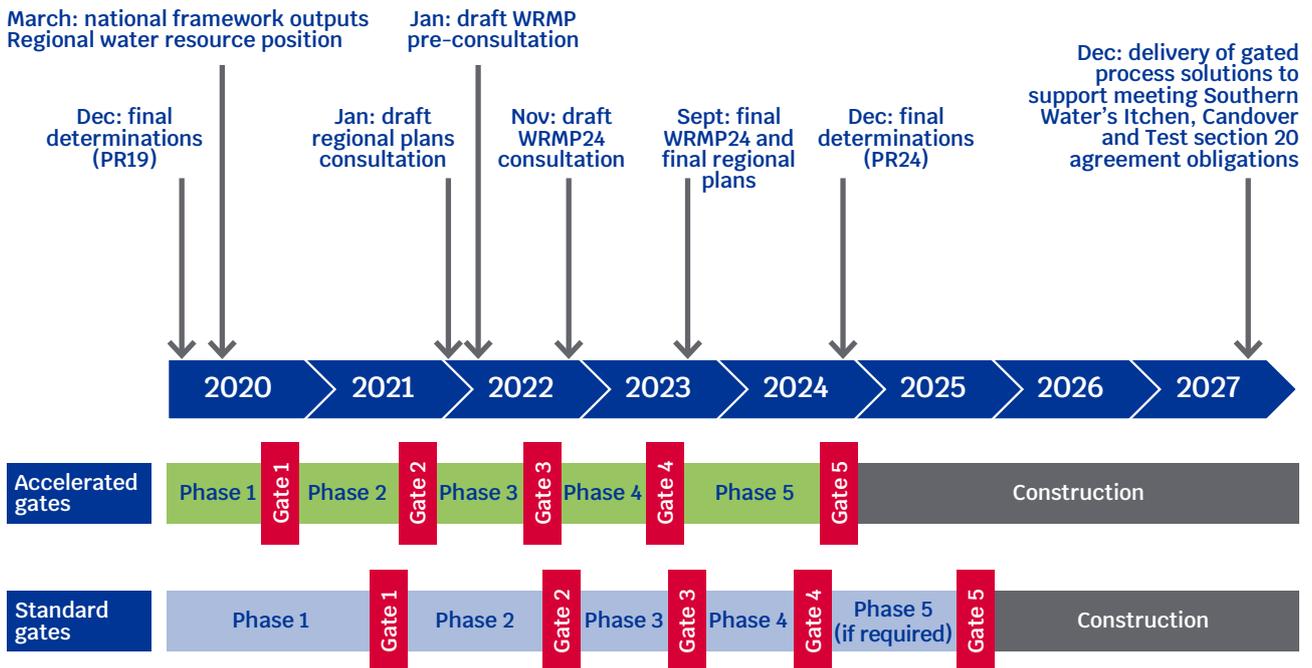
We encourage further solutions to join during the programme. If the solutions in the programme progress to construction, the sector will be investing up to c £14 billion in new infrastructure.

Figure 1: Strategic regional water resource solution map



RAPID leads the assessment of the solutions at each gate and makes recommendations to Ofwat on solution funding. RAPID’s assessment seeks to ensure that the solutions are on track and progressing in a way that offers value to customers and the environment. Where appropriate our recommendations may include interim measures to manage shorter-term risks identified through the solution owners’ work.

Figure 2: Gated process for potential strategic regional water resource solutions



## 1.2. Implementing the National Framework

The second of RAPID's roles is to act as an enabler to the effective implementation of the Water Resources National Framework in England. This includes co-ordinating the collaborative work of the five regional water resources groups and supporting the independent chair of the Senior Steering Group. It also includes identifying, tracking and mitigating risks associated with the development of regional plans and supporting coordination across government and regulators in England and Wales.

Defra, Welsh Government and the partner regulators are committed to working with water users to help deliver a transformed approach to water resource planning, aligning national, regional and local needs. RAPID seeks collaborative solutions to issues that emerge, working with a wider pool of regulators including NRW, CCW, Forestry Commission and Natural England (NE). The programme of strategic water resource solutions which progress through the gated process should emerge through the regional planning process.

RAPID is also developing and using evidence to help shape regional plans, particularly where a national perspective is required, such as national water resources modelling.

## 1.3 Developing the regulatory and commercial framework for water resource infrastructure

RAPID's third role is developing the regulatory and commercial framework to support the timely delivery of water resources infrastructure. We are asking the water sector to develop water resources in a new way recognising that the current regulatory and commercial arrangements may need to change to support this.

This degree of change will inevitably expose challenges and issues. We have committed to improving the existing regulatory framework so that emerging issues, be they opportunities, gaps or barriers, are addressed through our work in support of each partner regulator. This work may uncover risks to customers or the environment in the shorter-term before the infrastructure in the RAPID programme is delivered. Where this arises, we will work with the partner regulators and the companies to facilitate risk mitigation.

We expect a number of solutions to be construction ready early in the next price control period. In light of this, we have thought carefully about how we prioritise the work needed to support the water resource planning and price setting cycles. This includes considering whether the current cyclical approach to regulation remains appropriate for delivery of long-term customer and environmental outcomes or whether a longer-term approach would offer greater benefits.

## 2. Forward programme 2022-23 – what RAPID will do this year

The 2022-23 period will be a key in the planning cycle! RAPID is planning an ambitious programme, which will be matched by a number of important milestones in the water resource management planning agenda, including the regional groups finalising regional plans for the first time.

As in previous forward programmes, we have grouped our delivery priorities into five themes:

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

Keeping the themes consistent throughout the life of RAPID will enable us to evaluate our impact, particularly by identifying trends over time. We describe each of these areas in more detail in subsequent pages and summarise the key deliverables in table 1.

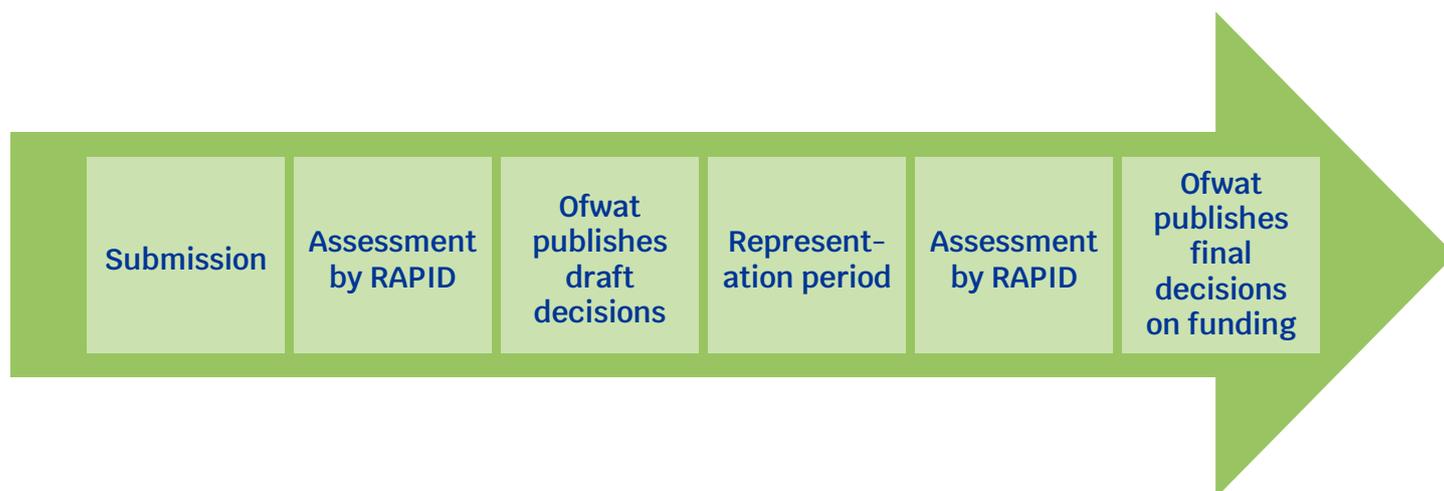
### 2.1 Developing a positive culture and driving performance

We want to make RAPID a great place to work. We now have a strong team populated by staff from the three partner regulators, Defra and NRW. We are continuing to bring in early talent in engineering, economics, project management and regulatory policy, developing a culture of ‘grow our own’ rather than buying in expertise. As a combined team we can offer our people excellent opportunities to develop their skills and experience. We will assess our progress using both the Civil Service people survey and periodic [‘insights discovery’](#) surveys.

### 2.2 Providing effective oversight of the strategic solutions

As illustrated in figure 2, two gates occur in the 2022-23 period – standard gate two and accelerated gate three submissions in November. We will also review the delivery of company remediation measures from accelerated gate two and the Derwent Valley solution in July.

RAPID will work with the partner regulators to assess the progress made in the timely development of each solution and to provide advice and recommendations to Ofwat to enable Ofwat to make decisions on continued ring-fenced funding for solution progression, as illustrated in figure 3. We will work with NRW so that Welsh legislative and policy considerations are part of the assessment process for those solutions which affect or could benefit Wales. We will publish what we have learned from the gate assessments and use our experience to enhance our preparations for running the process for the next gates and to feed into our programme under the other RAPID themes.

**Figure 3: Gate assessment process for strategic regional water resource solutions**

## 2.3 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, including Welsh stakeholders.

We will continue to refine and develop our approach to working with the partner regulators and the broader regulatory community throughout the process in good time to enable meaningful engagement and access to subject expertise to enable the right decisions. This includes continuing to work with the Planning Inspectorate and others with oversight of relevant regulatory regimes to align requirements and enable multiple use of the same outputs.

We will promote our approach to transforming water resources by publicising the national framework, shift to regional planning and the gated process and evaluate our impact through replicating our previous surveys.

## 2.4 Achieving effective long-term water resources resilience

While each of the regional groups focuses on respective English regional needs, with a cross England-Wales border element for Water Resources West, RAPID will continue to focus on the national picture including by identifying, tracking and mitigating risks associated with the development of regional plans while challenging the groups to innovate and explore opportunities to deliver wider benefits. We will build coordination across regulators to bring about strategic, timely and joined up feedback to the regional groups as well as other interventions where necessary.

To support long-term decision making, RAPID will provide strategic direction to the development and use of evidence such as of the outputs of national scale water resources modelling<sup>1</sup> and large water infrastructure cost benchmarking, to help shape and challenge regional plans. RAPID will continue to act inclusively in our governance of evidence projects, using representatives from the water sector and other stakeholders to help steer the work and recommendations.

## **2.5 Exploring regulatory and commercial opportunities, addressing gaps and barriers**

RAPID will continue working collaboratively with the regulators and the sector to shape the commercial frameworks for strategic resource solutions and to consider where there are tensions and policy trade-offs between local impact and national need.

Building on previous years' work, we are well placed to work through the issues and provide advice to our partner regulators and governments ahead of the key milestones, such as the price review methodology in summer 2022 and the regional plan and WRMP consultations in the autumn.

We will continue to engage through an industry steering group which will support the development of sprint task and finish groups to explore barriers and opportunities, gain insight, and get buy-in to our policy proposals. Where appropriate we will seek sector leadership in resolving issues including pricing, incentives and risk; co-ordinated operations; multi-sector commercial models, the future of RAPID; standardisation; and security of supply.

We will continue to draw on expertise, fresh thinking and innovation from the sector, other water-using sectors, consultancy and the Ofwat advisory panel.

1. [The National System Simulation Modelling \(NSSM\) Project, Phase 1 Report](#), December 2021 and [University of Manchester England and Wales supply demand modelling report for RAPID](#), July 2021

**Table 1: Summary of delivery plan 2022-23**

Theme	Deliverables Quarter 1	Deliverables Quarter 2	Deliverables Quarter 3	Deliverables Quarter 4
<b>Developing a positive culture and driving performance</b>	Focus on staff well-being and development, including through refreshing our Team charter	Bring in early talent using the Ofwat graduate and apprenticeship programmes	Facilitate greater cross-fertilisation of learning, including mentoring	Monitor and address issues raised by staff surveys, celebrating success
<b>Providing effective oversight of strategic solutions</b>	Develop and publish gate three guidance and incentives	Facilitate progressing solution issues through regulator and company engagement	Gate two assessment for standard track and gate three assessment for accelerated track solutions	Publish learning from 2022-3 gates. Build learning into approaches for future gate assessments.
<b>Engaging people and organisations</b>	Continue to work with PINS and others to align requirements between regimes	Refine, widen and further develop cross-regulator working	Work with governments and regulators to influence relevant policy	Survey stakeholders, report performance and set out plans for the year ahead
<b>Achieving effective long-term water resources resilience</b>	Support regional groups to align plans, to manage risks and issues and to explore opportunities to bring wider benefits	Publish outputs from national scale water system simulation modelling and large-scale infrastructure cost benchmarking development	Support regulators, UK and Welsh governments to challenge and align draft regional plans using cost-benchmarking, modelling and other evidence	Review the lessons from regional planning to feed into future development of the National Framework and water resources policy in England and Wales
<b>Exploring regulatory and commercial opportunities, addressing gaps and barriers</b>	Develop our policy proposals with the Ofwat price review team for inclusion in the price review methodology, including pricing, incentives, regulatory oversight for RAPID solutions beyond gate five, and risk-sharing	Take forward actions from evidence developed on system coordination/operation	Develop and share next steps on the commercial and regulatory frameworks required for multi-party, multi-sector large-scale water resources infrastructure	Policy recommendations to partner regulators and governments on issues such as charges, quality regulation barriers and the role of RAPID (if any) after 2025



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

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