



Accelerated Infrastructure Delivery project team
Ofwat
Centre City Tower
7 Hill Street
Birmingham B5 4UA

Sent by email to: ofwat-defraacceleratedprocess@ofwat.gov.uk

24 April 2023

Dear Sir/Madam

RE: Response to Accelerated Infrastructure Delivery (AID) proposals in Eastern England

I am writing in response to the above exercise's draft decision documents published for consultation on 3rd April. Our response focuses on the water resources proposals submitted by the four water companies serving customers within the WRE region. We strongly support the AID scheme as an important opportunity to bring forward investment in new demand- and supply-side water resources infrastructure not only in the East – the driest region of England - but across the country ahead of decisions in the forthcoming Price Review.

As you will be aware, WRE is the independent, not-for-profit membership organisation tasked under the National Framework for Water Resources to prepare a long term, regional water resources plan for Eastern England. We published our draft Regional Plan for consultation last November and are now analysing the feedback and updating our plan ready for publication later this year.

We note and support the following schemes submitted by our water company members that are proposed for funding. These schemes are all within our best value plan and funding them through the AID programme will deliver early benefits for customers and the environment:

- *Anglian Water (schemes 3 and 7)*: bringing forward delivery of 60,000 smart meters and accelerating design work on the Colchester re-use scheme in a way that will benefit reuse projects in ours and other regional plans.
- *Essex & Suffolk Water (schemes 1 and 2)*: a new borehole and water treatment works at Linford, and design work on the Suffolk Strategic Network and Storage Scheme, to help alleviate pressure on resources in the Hartismere zone.
- *Cambridge Water (schemes 1 and 2)*: early installation of smart meters for both household and non-household customers.
- *Affinity Water*: no relevant proposals within the WRE region.

However we were disappointed that early investment in other schemes within our Regional Plan were not earmarked for funding. The Grafham Water to Cambridge Water transfer (Anglian Water's scheme 1 together with Cambridge Water's Scheme 6) is a critically important scheme within our Regional plan; both to allow early reductions in abstraction from the chalk aquifer and to support the significant rate of housing growth within Cambridge Water's region. It is also a great example of how regional scale planning and collaboration between companies is unlocking opportunities to transfer and share water in areas of severe water stress.

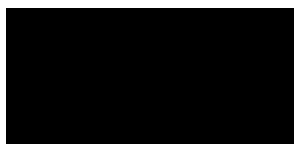
The scheme appears to be being declined mainly on grounds of cost and a paucity of other options to compare it with. The reality is that Cambridge Water's geography means that there are very few other new supply options available, and this combined scheme should not be judged on a simplistic unit cost basis. This transfer is cost-effective when compared to other options that Cambridge Water has available, hence why it has been identified as part of both Cambridge Water's and WRE's best value water resources plans. The draft Gate 2 decision on the proposed Fens Reservoir makes the same basic error, by inappropriately benchmarking its cost-effectiveness against options not available to Cambridge Water.

Declining this scheme will only perpetuate the challenges and stakeholder concerns that Cambridge Water faces in meeting the needs of new housing whilst safeguarding the environment. I would ask you to reconsider this decision in light of the importance of the scheme to the regional plan, and to local stakeholders, who would like to see pressure on the local aquifer alleviated as quickly as possible. Another option would be to identify these schemes as a priority for 2024 Price Review 'transition funding' so that either way, both elements can begin delivery ahead of the next Asset Management Period.

Similarly, Scheme 3 and Scheme 4 proposed by Essex & Suffolk Water should also be reconsidered (detailed design work for the North Suffolk Winter Storage Reservoir and Lowestoft Reuse). Both schemes are important elements of Essex & Suffolk Water's adaptive plan and new supplies need to be found before 2030 in order to bring an early end to the current moratorium on new non-household connections. Detailed design work on these schemes will allow a decision on which to bring in to supply first, potentially bringing forward the lower carbon and more environmentally beneficial reservoir option (both schemes will be needed in the longer term). Essex & Suffolk Water, alongside Anglian Water, also anticipate further reductions in licenced volumes for their abstractions within the Broads Special Area of Conservation (SAC) following the outcome of the recent judicial review. Unless these schemes are accelerated the timing of the additional licence reductions would have to be subject to over-riding public interest tests.

I would be very happy to discuss these points further with you if you would find that helpful.

Yours sincerely



Daniel Johns FCWEM
Managing Director