June 2023

Accelerated infrastructure delivery project

Appendix 1: final detailed assessment of company submissions

Ofwat

About this document

This appendix provides our final scheme-by-scheme decisions on the acceleration process. It sets out our detailed assessment of company submissions to the acceleration process, considering consultation responses to our draft decisions. It also sets out the criteria that we have used for our assessment.

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1. Our assessment approach

We have assessed water company submissions for acceleration against our assessment criteria as set out in Table 1.1.

Our assessment of each scheme is made 'in the round' (if schemes are in scope). We have considered the views of other regulators including the Environment Agency (EA), Drinking Water Inspectorate (DWI), Natural England (NE) and the Consumer Council for Water (CCW). We are grateful for the input of these organisations. We have not progressed schemes where the environmental or quality regulators have raised concerns. We have only accelerated schemes that would otherwise meet the enhancement criteria in our PR24 price review.[1]

In making our final decisions on schemes we have considered stakeholder responses to our draft decisions. We were pleased to receive formal responses to our consultation from ten water companies, the Consumer Council for Water (CCW), Water Resources East, Arqiva (a company involved in smart metering), Blueprint for Water, Ilkley Clean River Group, stakeholders associated with the River Clun (including Phillip Dunne MP) and a private individual. Responses generally supported the proposed decisions, although environmental stakeholders and some companies requested that we accelerate some of the schemes we did not include in our draft decisions. We appreciate the time and thought that has gone into the responses.

Table 1.1: Our assessment criteria

Criteria	Explanation
Scope	Proposals must increase water resilience (supply and demand), reduce the use of storm overflows and or address nutrient neutrality (in those sites that need it to progress development). Projects must be new, align with UK government's environmental ambitions, provide customer value and can be delivered to schedule, without impacting on the delivery of existing regulatory obligations.
Timelines	Projects must be started in 2020-2025 (AMP7) and finalised by the end of 2025-2030 (AMP 8).
Need for investment	Is the need for the schemes clear and uncontroversial? Is there a clear link to a specific statutory driver and/or part of existing or draft programmes such as WRMP/DWMP/WINEP? Does the investment deliver additional benefits, above those that companies have already committed to delivering in this period, including any Green Recovery projects? Does the proposed investment overlap with activities funded through base expenditure allowances? Is the need for the scheme uncertain, for example, projects that are dependent on changes in government or regulatory policy?
Best option	Has the company considered an appropriate range of options to meet the need? Is there evidence that the proposed solution represents best value for customers, communities and the environment for the long term?

[1] Ofwat, PR24 final methodology – appendix 9 setting expenditure allowances, December 2022, p154-159.

Criteria	Explanation
Certainty of delivery	Is the company underspending on associated enhancement activities? Has the company provided assurances that new projects will not distract or impact on the delivery of existing plans? Has the company set out where they are accelerating existing schemes in period, and if not the reasons why? Are projects deliverable?
Clear outputs and price control deliverables	Has the company clearly set out the expected outputs (e.g. number of smart meters delivered) and outcomes (reduction in leakage and per capita consumption)? Are these outputs and outcomes additional to those delivered by the PR19 programme? Has the company committed to clear price control deliverables (for 2023-24 and 2024-25), which allow funding provided to be adjusted if these deliverables are not achieved. For schemes that span more than one control period, has the company clearly set out the outputs that will be delivered this period, and the overall deliverables that will be delivered by the project?
Commitments by companies	Has the company shown commitment that they are willing to deliver more themselves as part of the process (in addition to those that they are funded for), whether that is going beyond their existing leakage or PCC targets, or committing to greater storm overflow or nutrient reductions this period than previously envisaged? Has the company reflected the benefits from inflation on their RCV (Regulatory Capital Value) when making their proposals?
Funding	Is the company proposing that funding is provided through transition funding for 2023-24 and 2024-25, with funding provided as part of the PR24 price review process?

Our 'in the round' assessment resulted in each scheme being put into one of four categories. Where we have agreed that schemes can be accelerated, we have included price control deliverables to ensure that customers' interests are protected. Further details on price control deliverables are set out in Appendix 2.

Category	Definition	Description
	Criteria met	Meets criteria set out
	Some concerns	Some concerns that criteria not met
	Significant concerns	Significant concerns that criteria not met
	Criteria not met	Criteria not met

2. Our final decisions

We have approved schemes for the accelerated scheme process that 'in the round' meet our criteria. This gives companies certainty that these schemes will qualify for funding through the transition expenditure programme as part of PR24. Funding through the transition expenditure programme is for enhancement expenditure only and not for base expenditure. We are not providing enhancement expenditure allowances for accelerated schemes at this stage.

This is consistent with our approach to other transition expenditure, where we will assess the efficiency of expenditure allowances as part of the overall totex assessment at PR24. This assessment will be undertaken through the draft and final determination process and the costs associated with these schemes will be subject to the same scrutiny and challenge as all other enhancement costs.

We have included price control deliverables for each of these schemes in Appendix 2. We intend to use these price control deliverables to assess the outcomes and outputs that companies have delivered and therefore the adjustments we should make to allowances in PR24.

The accelerated process covers schemes in three areas: water resilience (supply and demand), storm overflows and nutrient neutrality. The considerations in assessing schemes and price control deliverables are different for each.

On **water resilience (supply and demand)** we have 'green lit' schemes in three areas: schemes to improve water supply, schemes to reduce demand, in particular smart metering, and schemes to protect future supply. For water supply schemes we expect schemes to provide a quantifiable water supply benefit at a water resource zone level, consistent with the requirements of WRMPs. Consistent with the assessment criteria, we also expect schemes to start to provide water supply benefits before the end of 2029-30. For smart metering proposals we expect proposals to be the best option, for example if they are included in a company's preferred best value plan in its draft WRMP. For schemes which reduce water quality constraints on water supply, we expect companies to demonstrate a new need for investment to tackle water quality that risks supply output.

For **storm overflow** schemes we need to ensure that additional funding is provided for additional enhancement works, and not to meet needs already provided for through base expenditure allowances. We therefore expect companies to demonstrate that spills are not due to maintenance issues. We are therefore including a condition that, to retain funding (and avoid a clawback), companies need to demonstrate that they are operating assets in compliance with their permits. Companies must have third party assurance around the demonstration of compliance. We will take account of the impact of storm overflow schemes on spill frequency when setting the PR24 storm overflow spill performance commitment.

Where not defined in the scheme, we have estimated the impact on storm overflow spills by comparing 2021 spill frequency (as a recent year with typical rainfall) with the spill requirements defined in the scheme outputs.

One of the aims of the accelerated infrastructure delivery project is to bring forward schemes on **nutrient neutrality**, a term given to an approach developed by Natural England in England (and Natural Resources Wales (in Wales)) as part of their roles as statutory consultees in the local planning and environmental assessment process.

The Levelling-up and Regeneration Bill, currently before Parliament, includes provisions in relation to nutrient pollution standards that would allow the Secretary of State to designate catchment areas for certain habitats sites polluted by nitrogen and/or phosphorus. The effect of designation would be to require English water companies to ensure that treated effluent from wastewater treatment works that discharge into the designated catchments will, unless exempted, meet specified standards for the removal of nitrogen and/or phosphorus from wastewater by the applicable upgrade date. Wastewater treatment works that have a capacity of less than a population equivalent of 2000 would normally be exempt.

Our final decisions to accelerate nutrient neutrality schemes are conditional on the relevant legislation being enacted, the nutrient neutrality designation being made, and the sites being above the 2000 population equivalent threshold.

3. Taking other schemes though the PR24 transition expenditure programme

Our criteria for the transition expenditure programme are set out in the PR24 final methodology.[2] For schemes to be eligible for the transition expenditure programme for 2023-24 (which is a year earlier than previous price reviews) they need to be included in final water resource management plans (WRMPs) or statutory schemes in the final water industry national environment programme (WINEP), address any concerns we have identified and meet certain other criteria.

3.1 Categorisation of schemes

For potential WRMP schemes we have indicated schemes with a 'W' which are schemes that are currently in a water company's draft WRMP (dWRMP) in the preferred path (and so have a higher likelihood of proceeding if concerns are addressed).

For potential WINEP schemes we have indicated schemes with an 'E' where companies have included them in their WINEP submissions but where we either have identified concerns with the schemes as part of our acceleration assessment process or they do not meet the criteria for acceleration (e.g. they are not related to water resilience, storm overflows or nutrient neutrality).

Companies can accelerate these schemes through the 2024 price review (PR24) transition expenditure programme at their own risk. Overall, we have identified a further 35 schemes, totalling £371 million of investment in the 2023-25 period, and £1.3 billion in total.

We have also identified water supply and demand schemes which although not in the preferred path in the draft WRMP could be accelerated if companies include these in the preferred path of their final WRMP. We have indicated these schemes with a 'V'. There are 16 schemes in this category with a total value of £76 million in the 2023-2025 period and £234 million in total.

[2] Ofwat, PR24 final methodology – appendix 9 setting expenditure allowances, December 2022, p115-118.

A1 Water

A1.1 Water: Anglian Water

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
Scheme 1 – Grafham to Bury St Edmunds transfer	26.12	160.41	**Our draft decision:** Some concerns. This scheme proposes to bring forward a 50 Ml/d dWRMP transfer scheme in the preferred plan by two years to 2027. Scheme costs are high and accelerating at this stage could pre-empt decisions on larger enhancement spend on interdependent schemes. While this option is selected in the dWRMP preferred plan our review of the options available in that plan and the approach it takes to decision making raises concerns around the justification of need for investment and whether this presents the best option. The Environment Agency has concerns about the scheme's reliance on a drought permit and the feasibility of options to generate the water needed to maximise the transfer which also raises some concerns on deliverability. This scheme has a high overall cost and unit cost. It therefore requires a high level of confidence that it is needed and represents the best option which is currently not evidenced. **Representations on our draft decision:** In its response to our consultation, Anglian Water stated that it understands the issues raised and will respond to concerns through the WRMP route and in its draft business plan. Anglian Water will consider whether to accelerate the scheme through the PR24 transition expenditure programme. Water Resources East (WRE) responded in support of the proposals from both Anglian Water (scheme 1 – Grafham to Bury St Edmunds Transfer) and Cambridge Water (scheme 6 – Grafham Transfer pipe of potable water) citing the importance of these schemes in their regional plan, links to reducing abstraction pressures and meeting new housing demand. **Our final decision:** **Some concerns.** While we understand the pressures facing water resources in the east of England, this scheme represents a substantial investment that could pre-empt decisions on interdependent schemes. Our concerns relating to options sufficiency and decision making in the relevant water resources management plans are yet to be addressed. The		W

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
			responses also do not address the scheme's reliance on a drought permit and the feasibility of options to generate the water needed to maximise the transfer. We also note that Anglian Water accepts our draft decision not to support progression through this route. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 3 – Colchester re-use	1.84	15.33	**Our draft decision:** Meets criteria. Acceleration of the detailed design (including appropriate monitoring and assessments) and planning of a water re-use scheme, plus the construction of a re-use pilot plant and transfer main by March 2028. These deliverables will be reflected in the price control deliverable (PCD) set out in Appendix 2. This is a scheme in the company's dWRMP preferred programme, and the full re-use scheme could be delivered two years earlier by March 2030 as a result of acceleration. This is a high-cost scheme overall with cost efficiency to be reviewed through PR24 business plan submissions. Despite this, as several re-use schemes could be required going forward, we consider that the pilot re-use plant will provide wider learning and should be accelerated. **Representations on our draft decision:** In its response to our consultation, Anglian Water raised several points relevant to the draft PCD. The company highlighted that the text in the PCD refers to completion of some deliverables by 31 March 2038 whereas the table only covers deliverables up to 2024-25.. The company also requested clarity on how it should engage the industry to share its experience and when it should best do this, requesting that the requirement for engagement is moved to 2030 once data is available on the operational phase of the project. **Our final decision:** **Meets criteria.** We retain our draft decision that the scheme does meet the criteria for the acceleration process. We have made the following changes to the PCD in response to the feedback we received from Anglian Water: 1) We have added a breakdown of the events the company should host for the wider industry to share learning on the pilot plant at three stages of the project. This is to ensure that learning is shared in a timely way to benefit other re-use schemes required across the sector. 2) We have extended the table of % deliverables to 2027-28. The % deliverables relate to completion of detailed design and planning, and construction of the transfer main and pilot plant.		W

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
Scheme 6 – Drought resilience	8.67	19.68	**Our draft decision:** Significant concerns. This option includes three schemes to increase water supply capacity. These are, Clay Hill, Ipswich and Covenham invasive species screen. These schemes are proposed to allow sustainability reductions in East Suffolk Groundwater to be delivered earlier. The Environment Agency has concerns about the feasibility of the Clay Hill component given 'no deterioration' requirements which raises some concerns on deliverability. The proposal does not include a robust justification for why they are needed earlier than planned or provide sufficient evidence that an appropriate range of options has been considered and assessed on an equal basis to arrive at the best value solution. **Representations on our draft decision:** In its consultation response, Anglian Water stated that it understands the concerns raised and the link between those concerns and those raised on its draft WRMP as well as ongoing discussions relating to WINEP. The company will respond to our concerns through those routes. Anglian Water will review whether to include this work in its wider PR24 transition expenditure programme. **Our final decision:** Significant concerns. For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		E
Scheme 7 – smart metering	9.09	27.26	**Our draft decision:** Meets criteria. Installation of 60,000 smart meters in customer properties to deliver 1.3 Ml/d in water savings by 2024-25 in an area identified as water stressed. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP. The need for the scheme has been clearly identified. It will help the company address the supply and demand balance deficit during the 2025-30 price control period and meet the per capita consumption target of 110 l/h/d by 2050. The scheme will build on the company's existing smart metering programme. Company has set out clear outputs and deliverables. We are proposing to impose a price control deliverable that reflects these outputs, ie. 60,000 smart meters installed by 2024-25. To ensure that the scheme is additional to the company's existing PR19 commitments, we are proposing a condition on transition expenditure funding for this investment on the company delivering its PR19 metering programme by 31 March 2025. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March		W

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
			2025. **Representations on our draft decision:** In its representations on our draft decision, Anglian Water disagreed with splitting the number of meters captured in the price control deliverable by meter type. The company argues that the proposed approach would reduce flexibility in the way that meters are installed. This is because it would penalise them for changes in the areas they would rollout meters to as the mix of meter types varies by area. The company also disagreed with the condition on delivery of the PR19 metering programme. It argues that customers are already protected by the PR19 bespoke performance commitment on smart meters. The company also contested the proposed level of impact of their metering scheme on leakage and per capita consumption performance during the PR19 period. It argued that level of impact is end of year while the rollout will be progressive throughout the year and so impact on reporting levels should therefore be reduced to 50% of the proposed level. **Our final decision:** **Meets criteria.** We retain our draft decision that the scheme meets the criteria for the acceleration process. We also retain our draft decision that the price control deliverable should set out the number of meters to be delivered by meter type. We are concerned that not distinguishing meter type in the price control deliverable could allow companies to swap high-cost meters with low-cost meters where unit costs vary by meter type. It will not be known how meter costs vary until we complete our cost assessment in PR24.. We will consider whether further aggregation of meter types is appropriate as part of our PR24 work. We accept that Anglian Water is subject to a bespoke performance commitment for its PR19 smart metering programme. This performance commitment does not capture the number of basic meters funded through PR19 enhancement allowances. Basic meters account for around 10% of the company's PR19 enhancement allowance for meter installations and upgrades. We want to ensure that the acceleration scheme is incremental to the company's PR19 metering programme. Therefore, we are retaining a condition on transition expenditure funding for this investment that the company delivers its PR19 metering programme by 31 March 2025.		

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
			To ensure that the company is not double funded through the transition expenditure programme and outperformance payments from its PR19 smart metering performance commitment, we are including a condition that the company should not report the meters installed under the acceleration process against its PR19 smart metering performance commitment. On the impact of the scheme on leakage and per capita consumption performance relating to PR19 performance commitments we accept the company's representation that the impact level on reporting should reflect the progressive rollout throughout 2024-25. We have therefore adjusted the impact levels to reflect in-year rather than end of year levels.		

A1.2 Water: Northumbrian Water (Essex and Suffolk)

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 – New Linford WTWs and Borehole	1.50	12.74	**Our draft decision** Meets criteria. Detailed design of a 7Ml/d scheme in company's dWRMP preferred programme to be construction ready by 2025. This brings forward delivery by two years to 2027. Essex and Suffolk Water is currently operating a moratorium on accepting applications for new supplies for new manufacturing and processing purposes in its Hartismere zone due to a lack of water availability. This option could provide additional water earlier than planned which would help alleviate the pressure in the area. While we have some concerns about the limited range of alternative options in Essex and Suffolk's dWRMP and whether, in that context, this option represents best value, it has a relatively low unit cost and is therefore likely to be selected against other alternatives. Our price control deliverable requires the company to secure land lease agreements, complete detailed design for a pilot borehole and new treatment works, drill and test a pilot borehole and prepare a groundwater investigation report by December 2024. We provide further details of this in appendix 2. **Representations on our draft decision**: We received no responses or any additional evidence in relation to our draft decision on this scheme. Northumbrian Water (Essex and Suffolk) did raise a cross cutting point on PCDs objecting to the intention to make transition funding conditional on demonstrating in July 2023 that they are on track to deliver PR19 enhancement programme. **Our final decision:** **Meets criteria.**As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme meets the criteria for the acceleration process. Therefore, our final decision is to approve the scheme for the acceleration process.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 2 – Suffolk Strategic Network and Storage Enhancements	7.49	12.49	**Our draft decision:** Meets criteria. Detailed design and planning, ahead of construction of the Suffolk Strategic Network and Storage Enhancements. Brings forward the delivery date of this dWRMP preferred option, which will increase available water supplies in Suffolk. Essex and Suffolk Water currently has a moratorium on new supplies for new manufacturing and processing purposes in its Hartismere Water Resource Zone (WRZ) because it is forecasting a significant increase in new non-domestic demand but new supply schemes will not be developed until 2032. The strategic pipeline allows a transfer of water from the Northern Central WRZ to Blyth WRZ and Hartismere WRZ. Initially, this uses the baseline surplus in that zone ahead of new supply schemes being ready. Price control deliverable is detailed design and planning by March 2025. **Representations on our draft decision:** Northumbrian Water (Essex and Suffolk) responded to this scheme noting the dependency with North Suffolk Winter Storage Reservoir and Lowestoft Reuse. The following summary covers all three schemes. The company reiterated the challenging and worsening water resources situation it faces with growth constrained by a moratorium for new supplies for new manufacturing and processing purposes in its Hartismere zone, deficits forecast in the draft WRMP and increased changes to abstraction required beyond those in the draft WRMP. The response framed Suffolk Strategic Network and Storage Enhancements as an important first step but not enough to lift the moratorium without being combined with either Lowestoft Reuse or the North Suffolk Winter Storage Reservoir option. The company pointed to both North Suffolk Winter Storage Reservoir and Lowestoft Reuse being selected in the long term on both the best value and the adaptive pathway. The company explained that Lowestoft reuse is prioritised in the draft WRMP as it can lift the moratorium earlier and has lower capital costs than the North Suffolk Winter Storage Reservoir option. However, the reservoir could bring broader benefits such as biodiversity, stakeholder preference, lower energy use and lower operating costs. The earlier this is designed, the more likely it is that it could be deployed first. The company has provided additional information in response to a query on delivery dates, with accelerated funding expected to bring forward option delivery for all three schemes by 22 months, so that Suffolk Strategic Network and Storage Enhancements would be delivered by 2028, followed by Lowestoft Reuse / North Suffolk Winter Storage Reservoir which would add to the benefits realised.On options sufficiency, the company sees limited alternatives for Hartismere WRZ other than pairing the Suffolk Strategic Network and Storage Enhancements with either of these options.		W

Scheme	Costs 2022–25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Water Resources East also raised similar points to the water company, citing the selection of North Suffolk Winter Storage Reservoir and Lowestoft Reuse in the preferred and best value plan and the urgency of water needs in the area likely to be exacerbated by additional abstraction reductions within the Broads Special Area of Conservation (SAC). **Our final decision:** **Meets criteria.** Our final decision takes into account the dependencies between Suffolk Strategic Network and Storage, North Suffolk Winter Storage Reservoir and Lowestoft Reuse, as well as the water resources challenges and worsening situation in the area. Our final decision is to accelerate the detailed design for Suffolk Strategic Network and Storage, North Suffolk Winter Storage Reservoir and Lowestoft Reuse as a package. This recognises the dependency on either the reservoir or the reuse option to provide water to support the transfer and remove the moratorium in the Hartismere zone. We have included a PCD that commits the company to the option development work and includes a break point should the final WRMP not support these options.		
Scheme 3 – North Suffolk Winter Storage Reservoir Detailed Design	9.05	15.08	**Our draft decision:** Significant concerns. Detailed design of North Suffolk Winter Storage Reservoir. Scheme would bring forward the reservoir by two years. This option does not meet the timing criteria to deliver water prior to 2030. The lack of options in Essex and Suffolk's plan as well as the high total cost and unit costs also raises concerns about whether it represents the best value option. **Representations on our draft decision:** These are summarised above against Suffolk Strategic Network and Storage Enhancements. **Our final decision:** **Meets criteria.** Our final decision is to accelerate the detailed design for Suffolk Strategic Network and Storage, North Suffolk Winter Storage Reservoir and Lowestoft Reuse as a package.		W
Scheme 4 – Lowestoft Reuse Detailed Design	4.68	7.79	**Our draft decision:** Significant concerns. Detailed design of Lowestoft Reuse which is a scheme in the dWRMP24 preferred plan (to be construction ready by 2025). This option does not meet the timing criteria to deliver water prior to 2030. The lack of options in Essex and Suffolk Water's plan as well as the high unit cost also raises concerns about whether it represents		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			the best value option. **Representations on our draft decision** These are summarised above against Suffolk Strategic Network and Storage Enhancements. **Our final decision** **Meets criteria.** Our final decision is to accelerate the detailed design for Suffolk Strategic Network and Storage, North Suffolk Winter Storage Reservoir and Lowestoft Reuse as a package.		
Scheme 5 – Southend Reuse Detailed Design	2.30	104.99	**Our draft decision:** Significant concerns. Detailed design of Southend Reuse scheme. This option does not meet the timing criteria to deliver water prior to 2030. The option is selected in the high per capita consumption (PCC) adaptive pathway of the company's dWRMP24 to be construction ready by 2025. The selection of the option in the high PCC adaptive pathway and the lack of options in Essex and Suffolk Water's plan also raises concerns about whether it represents the best value option for customers. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision** **Significant concerns**. As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that we have significant concerns about the inclusion of the scheme in the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		V

A1.3 Water: Severn Trent Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 – Smart metering acceleration	40.66	66.52	**Our draft decision:** Meets criteria. Installation of 250,000 smart meters in customer properties to deliver 11.3 Ml/d in water savings by 2025-26 in an area identified as water stressed. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. The need for the scheme has been clearly identified. It will help the company address the supply and demand balance deficit in future years and meet the per capita consumption target of 110 l/h/d by 2050. The scheme will build on the company's existing smart metering programme. Company has set out clear outputs and deliverables. We are proposing to impose a price control deliverable that reflects these outputs, ie. 250,000 smart meters installed by 2024-25. To ensure that the scheme is additional to the company's existing PR19 and Green Recovery commitments, we are proposing a condition on transition expenditure funding for this investment to the company delivering its PR19 and Green Recovery metering programmes by 31 March 2025. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March 2025. **Representations on our draft decision:** In its representations on our draft decision, Severn Trent Water requested that non-household meters are added to the acceleration scheme. The company explained that to reflect the Government's new target for reducing non-household consumption by 9% by 2039, it intends to include non-household meters in its final WRMP. It also requested that we remove the distinction in the price control deliverable between basic and automated meter reading (AMR) replacements. The company explained that it will aim to rollout meters by area but that it does not have an accurate record of the ratio between basic and AMR meters within each area. It argued that basic and AMR replacements have a similar cost and therefore removing the distinction will lead to a more efficient rollout. **Our final decision:** **Meets criteria.** We retain our draft decision that the scheme meets the criteria for the acceleration process. Severn Trent Water has not provided additional evidence to support the request to add non-household meters to the proposed acceleration scheme that would allow us to assess it against our set criteria. These meters were not included in the		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			company's draft WRMP so it is not clear to us that this is the best option. . Therefore, we are not includingnon-household meters in the scheme approved for the acceleration process. On the distinction between basic and AMR replacements. As part of our PR24 assessment, and after we have received company business plan submissions, we will assess the extent to which unit costs vary by meter types and form a view on whether a more aggregated deliverable would be appropriate. We are therefore retaining our proposal to split the number of meters by type in the price control deliverable for this scheme.		
Scheme 2 - Draycote raise	1.31	2.62	**Our draft decision:** Meets criteria. Accelerated 9 Ml/d dWRMP24 option to raise the level of Draycote reservoir. The scheme is selected across a wide range of pathways in dWRMP24 which gives confidence on the need for investment. The project starts 2023-24 and completes 2025-26 so is within the required timescales for acceleration. The option has a low total cost and unit cost giving confidence that it is a low regrets option. Our price control deliverable requires the company to complete 90% of the feasibility and detailed design work, equivalent to around 50% of the total scheme cost, by 2024-25. **Representations on our draft decision:** Severn Trent Water proposed that the PCD is changed to only relate to the percentage of detailed design work completed,removing reference to the overall project value. This is due to the currently high level of uncertainty around that total estimate of total project value. The company expects its estimate of total project value to become more certain as detailed design progresses. Severn Trent Water also provided additional information on cost profiling in a subsequent query. This confirmed that some of the costs in the 2020-25 period will be for starting construction. **Our final decision:** **Meets criteria.** We retain our draft decision that the scheme meets the criteria for the acceleration process. Following the consultation response, and more detailed cost information provided in response to a subsequent query, we have made updates to the PCD. We have removed the percentage of overall project earned value from the PCD table. Based on the cost profiling data provided we have changed the percentage of detailed design delivered in the 2020-25 period from 90% to 100%. We have also updated the estimated proportion of total costs relating to detailed design.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 3- Little Eaton	2.26	7.54	**Our draft decision:** Some concerns. Accelerated preferred option from the company's dWRMP24 to increase sustainable output by 5 Ml/d. The scheme is selected across a wide range of pathways in dWRMP24 which gives confidence in the need for investment. The project would start 2023-24 and be in place by 2026-27 which is within the required timescales for acceleration and four years earlier than in the dWRMP24. The option is low cost and relatively low unit cost giving confidence that it is likely to be low regrets. However, the Environment Agency has raised environmental concerns regarding the sustainability of the source water supplying the works resulting in some concerns over the deliverability of the scheme. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Some concerns**. As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that we have some concerns over the inclusion of the scheme in the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		W
Scheme 4 - Rudyard reservoir	20.40	34.00	**Our draft decision:** Does not meet criteria. Proposed option to link two reservoirs with a raw water pipeline providing 6 Ml/d of benefit. The option is outside the current list of options considered in the company's dWRMP24. The lack of comparison against other options, in particular the development outside the dWRMP24, raises significant concerns as to the need for investment and whether it is the best option. Initial options development funding should be delivered through base expenditure and therefore is already funded by customers. The early stage of development of this project raises deliverability and yield risks. The Environment Agency also requires further engagement on potential environmental impacts, and a full assessment of the yield of Rudyard reservoir, adding to deliverability risks. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:**		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Does not meet criteria. As we received no responses or additional evidence, for the reasons set out above we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 6 - Rothley reuse	14.25	99.00	**Our draft decision:** Does not meet criteria. Proposed trial/study of an option to transfer 15Ml/d of treated effluent into Cropston reservoir. No clear improvement to water resilience in short term to align with accelerated process scope criteria. No quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. The dWRMP post intervention supply-demand balance forecast shows moderate surplus so unclear why there is a need for additional investment. The option is taken from the dWRMP24 unconstrained option ahead of significant numbers of better value options. Company presents insufficient evidence why this type of scheme requires a detailed trial when reuse is being developed by other companies. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		

A1.4 Water: South West Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 2 – Learning from nature	5.00	20.57	**Our draft decision:** Significant concerns. Proposed programme of pond creation and catchment management to address water quality and quantity issues. No quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. The proposal is in very early stages of development with the company stating that there will ultimately be links to its WRMP, DWMP and WINEP programmes once further work has been completed. However, no further details or identification of specific schemes that overlap with these programmes was provided. **Representations on our draft decision:** South West Water says that it will consider for final programmes based on Ofwat's comments. Blueprint for Water welcomes this proposal and suggests that pond creation and catchment management could have an interesting role in deliver improved water quality and quantity. Blueprint for water suggested that more such schemes should be funded (where at price review) to allow the evaluation of benefits to water supply. **Our final decision:** **Significant concerns.** For the reasons set above, we continue to have significant concerns regarding the lack of detail provided about what the scheme would deliver, together with uncertainty of need and why this is the best option to resolve it. We acknowledge the point about uncertainty of benefits for some nature-based solutions but no quantification of benefits (even as an initial estimate) has been provided for this scheme. Therefore, our final decision is to not approve the scheme for the accelerated process.		E
Scheme 4 Colliford Reservoir Storage	9.23	34.60	**Our draft decision:** Some concerns. Proposed option to increase the yield of Colliford Reservoir by 5Ml/d. The option is in the preferred and least cost programme of the company's dWRMP24 with the proposal to accelerate it by one year. However, we have concerns around whether it is the best option. This is because, while it is in South West Water's dWRMP, the plan is poor quality requiring re-submission and the unit cost is relatively high. The Environment Agency has significant concerns about whether the required abstraction from the River Camel, which is a Special Area of Conservation (SAC), would be		W

			available as well as a range of environmental risks and likely impacts which adds to our concerns. **Representations on our draft decision**: In its representations on our draft decision, South West Water explained that its work on the scheme has progressed as part of the lessons learnt from the 2022 drought and this scheme will be considered as part of the final WRMP rather than through the accelerated infrastructure delivery process. **Our final decision**: **Some concerns**. As we received no additional evidence, for the reasons set out above, we continue to have some concerns over the inclusion of the scheme in the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 10 - Reuse & desal investigation	1.35	1.35	**Our draft decision:** Does not meet criteria. Proposal to undertake feasibility study for future use of desalination and reuse schemes. No identified improvement to short- or medium-term resilience meaning it fails the scope criteria, nor does the company quantify the need for investment (ie problem to be addressed) nor provide evidence why this is the best option to address it. This would have significant overlap with base funded activities with learning possible from other companies already developing these types of solutions. **Representations on our draft decisions:** South West Water states that the feasibility has been completed so the full scheme will be considered for its final WRMP. **Our final decision:** **Does not meet criteria.** From the company response we understand that it has chosen to deliver the scheme outside of the acceleration process and therefore did not require additional customer funding. Primarily due to the lack of quantified need for investment we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 11 – Colliford smart metering	5.65	20.99	**Our draft decision** Meets criteria**.** Installation of 40,116 smart meters in customer properties to deliver 1.2 Ml/d in water savings by 2025-26 in an area identified as water stressed. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. The need for the scheme has been clearly identified. It will help company address the supply and demand balance deficit in future years and meet the per capita consumption target of 110 l/h/d by 2050. The scheme will build on the company's existing smart metering programme. Company has set out clear outputs and deliverables. We are proposing to impose a price control deliverable that reflects these outputs, ie. 40,116 smart meters installed by 2024-25. To ensure that the scheme is additional to the company's existing PR19 and Green Recovery commitments, we are proposing a condition on transition expenditure funding for this investment on the company delivering its PR19 and Green Recovery metering programmes and obtaining confirmation from Ofwat that the company is on track to deliver most of its wastewater enhancement programme by 31 March 2025. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita		W

			consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March 2025. **Representations on our draft decision** South West Water disagree with the condition that company must show that it is on track with delivering its PR19 wastewater enhancement programme to be eligible for transition expenditure funding. The company states that it is not relevant to link the delivery of its PR19 wastewater enhancement programme to its accelerated smart metering programme. The company proposed to remove reference to its PR19 wastewater enhancement programme or at least change the reference to the company's PR19 water enhancement programme. The company also clarified that the proposed leakage and per capita consumption impacts of the scheme reflect the cumulative value in the year from accelerated investment programme and that these impacts will need to be converted into three year averages for consideration against the total reported PR19 leakage and per capita consumption performance. **Our final decision** **Meets criteria**. We retain our draft decision that the scheme meets the criteria for the acceleration process. In relation to the condition that the company must show that is on track with delivering its PR19 wastewater enhancement programme, we are concerned that the accelerated investment should not distract company management from delivering its PR19 programme in full. Our 2020-21 water company performance report identified South West Water as lagging behind in delivering its wastewater enhancement programme.Although different operational teams might be responsible for delivering the company's water and wastewater enhancement programmes, we want company management to keep its focus on delivering both its water and wastewater enhancement programmes. Therefore our final decision makes the transitional expenditure funding for this scheme conditional on the company providing sufficient and convincing evidence at our action plan review meeting in July 2023 that they are on track to deliver their PR19 enhancement programme and that the company delivers its PR19 and Green Recovery metering programmes by 31 March 2025 (as per our draft decision). We agree with the company that the proposed leakage and per capita consumption impact levels will need to be converted to three year averages for consideration against reporting performance levels. We have now made this clear in the price control deliverable for this scheme. We have also updated the impact of the programme on leakage performance to reflect in-year rather than end of year values.		
Scheme 12 – supply pipe leakage	8.51	8.51	**Our draft decision:** Meets criteria. Proposed scheme is to replace 9,670 supply pipes. This is proposed at a slightly higher unit cost than allowed at green recovery (after accounting for different price bases). Proposal has a clearly defined need for investment and deliverables, with a leakage reduction of 1.6Ml/d by end of 2024-25. The similar green recovery scheme assumed ~160 l/d per pipe whilst this proposal is 165 l/d. Not part of current dWRMP24 so has not been compared against alternative options but this was an approved scheme in the green recovery process where we accepted the potential for multiple benefits, especially if synergies explored with lead reduction/metering. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April		V

			2020 to 31 March 2025. The number of leaking supply pipes replaced and leakage reduction are reflected in the scheme price control deliverables. **Representations on our draft decision:** South West Water proposed the following revised wording for the assurance section of the scheme delivery expectations. "The company's assurance processes should include reviews with independent, third-party assurer, and their assurance should report that the above conditions have been met. The Company will submit the relevant assurance reports to Ofwat." **Our final decision** **Meets criteria.** Our proposed assurance wording is 'Independent assessment and assurance of completed leaking supply pipe replacements and the leakage benefit in this period as set out below must be provided to Ofwat. We consider that this assurance wording is clear and unambiguous to ensure the completed deliverables are effectively assured. There will be no change to our requirements for independent assessment and assurance of completed deliverables for the reasons set out in section 3.3 of the accelerated infrastructure delivery project final decision document. For the reasons set out above, we retain our draft decision that the scheme meets the criteria for the acceleration process.		

A1.5 Water: Southern Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 – Smart/AMI rollout	40.93	160.11	**Our draft decision:** Does not meet criteria. Installation of 175,000 smart meters in customer properties to deliver 4.75 Ml/d in water savings by 2025-26 in an area identified as water stressed. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. Company has spent 31% of its forecast PR19 metering allowance over 2020-22. In response to a query, company confirmed that they are on track to deliver PR19 metering programme albeit with significant complexity and budget risks which are currently being evaluated. Company confirmed that it would require in period funding to take scheme forward. Therefore, scheme does not meet our criteria. **Representations on our draft decision:** Arqiva challenged our decision not to accelerate six smart metering schemes arguing that delaying the rollout of smart water meters will delay the realisation of the benefits associated with this technology. Blueprint for Water also called for the acceleration of more non-household smart metering schemes. We received no other responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria**. We retain our draft decision that the scheme does not meet the criteria for the acceleration process for the reasons set out above. As we set out in our response to Arqiva's and Blueprint's comments in section 4.1 of our accelerated infrastructure delivery project final decision document , companies can accelerate smart metering schemes at their own risk through the transition expenditure programme. Companies should provide evidence that these schemes are the best option, address our concerns and include these schemes in their final WMRP . Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 2 – Sandown water recycling scheme	35.00	40.50	**Our draft decision:** Does not meet criteria. A PR19 water recycling scheme in the Isle of Wight WRZ. It already has a PR19 funding allocation of £4.47 million. The proposal is to enable the 8.05 Ml/d scheme to be delivered at the end of 2026 only 3 months earlier than currently planned. We have significant concerns about delivery which are shared by the Environment Agency and DWI. Southern Water confirmed that it would require in period funding to take scheme forward. For this reason, it does not		

			meet the criteria. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no additional responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 3 – Ford water recycling scheme	66.22	77.00	**Our draft decision:** Does not meet criteria. A PR19 scheme within the Sussex North WRZ. It already has a PR19 funding allocation of £8.82 million. The proposal is to enable the 14.96 Ml/d scheme to be delivered at the end of 2026 only 3 months earlier than currently planned. We have significant concerns about delivery which are shared by the Environment Agency and DWI. Southern Water confirmed that it would require in period funding to take scheme forward. For this reason, it does not meet the criteria. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no additional responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		

A1.6 Water: Thames Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1- Chingford and KGV Pumping Enhancements	1.00	1.00	**Our draft decision:** Significant concerns. Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency has flagged the need for investigation into potential 'no deterioration' risks from abstraction at low flows which raises some concerns around delivery. **Representations on our draft decision:** Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 2 - New River Losses	2.50	2.50	**Our draft decision**: Significant concerns**.** Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency has flagged the need for assessment and further engagement on in-river improvements and feasibility which raises some concerns around delivery. **Representations on our draft decision:** Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Our final decision: **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 3 – New river capacity	0.50	0.50	**Our draft decision:** Significant concerns**.** Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency has flagged the need for assessment and engagement on the impacts of increased dredging required which raises some concerns around delivery. **Representations on our draft decision:** Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information. **Our final decision** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 4 – Littleton Permanent Pumps	2.70	2.70	**Our draft decision:** Significant concerns. Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency has flagged the need for assessment and further engagement regarding the impact of increased abstraction at low flows and deterioration risks which raises some concerns around delivery. **Representations on our draft decision:** Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			immature stage of development, lacking detailed costing and outcome information. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 5 – QE2 Reservoir Low Level Pumps	1.50	1.50	**Our draft decision:** Significant concerns. Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency has flagged the need for assessment and engagement on the potential water quality impact from abstraction of lower levels of reservoir water which raises some concerns around delivery. **Representations on our draft decision:** Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information. **Our final decision** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 6 – Teddington Weir Backpumping	3.00	3.00	**Our draft decision:** Significant concerns. This scheme is not part of Teddington DRA (RAPID solution London Reuse). Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency has significant concerns regarding depleted dilution of Mogden STW and reduced fresh water flow into the tidal Thames and raises potential issues from a depleted reach and questions around yield which raises significant concerns around delivery.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Representations on our draft decision: Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 7 – Hoddeston Transfer scheme	5.00	5.00	**Our draft decision:** Significant concerns. Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency raises the need for assessment and engagement regarding environmental concerns which raises some concerns around delivery. **Representations on our draft decision:** Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 8 – Deephams Reuse (Drought Scheme)	3.00	3.00	**Our draft decision:** Significant concerns. Limited information was submitted on how much water would be provided, what the outputs would be and how much it would cost. Querying the company did not resolve this. The lack of detailed information meant that the schemes could not be fully assessed. The Environment Agency raises concerns around the impact of the scheme on the lower Lee which raises some concerns around delivery.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Representations on our draft decision: Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 15 – Transfer raw water from Hampton AWTW to King George RWSTR (Via Thames Lee Tunnel)	Not provided	Not provided	**Our draft decision:** Does not meet criteria. Lack of scheme details to make an assessment, even after querying. Information provided demonstrates scheme is in early-stage development with Thames Water commenting that it is 'to be developed as part of the next phase of the solution development' across all criteria. **Representations on our draft decision:** Thames Water responded to express disappointment not to have secured funding through this process but also acknowledging that the submission provided insufficient detail and that many of the schemes were still at a relatively immature stage of development, lacking detailed costing and outcome information. **Our final decision:** **Does not meet criteria.** For the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		

A1.7 Water: United Utilities

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
Scheme 1 – HH Smart metering	39.60	39.60	**Our draft decision:** Some concerns. Installation of 100,000 smart meters in household properties to deliver 6.9 Ml/d in water savings by 2025-26. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. The company has identified AMI metering as the optimal metering technology. This represents a change in position with respect to United Utilities' Green Recovery proposals (submitted in 2020) where company identified AMR metering as optimal technology. Company presented evidence on the costs and benefits of AMI relative to AMR which informed its choice of meter technology. The evidence however suggests that the AMI metering proposal would not deliver benefits that outweigh the incremental costs of the investment. Company also presented unit costs which are materially higher than those presented by other companies as well as those allowed for at PR19 and Green Recovery. We are therefore not confident that the scheme submitted by the company is the best option. The company should further develop its analysis of the costs and benefits of AMI metering in time to inform its final WRMP. The company can accelerate scheme at its own risk and get transition funding if scheme is included in final WRMP24. **Representations on our draft decision:** Arqiva expressed concern that delaying the rollout of smart metering will delay the realisation of the benefits associated with this technology. They also raised the concern that smart metering proposals are not being supported due to companies updating their plans to move from AMR to AMI metering. **Our final decision:** **Some concerns.** For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process. We are not convinced that the evidence presented supports the claim that the investment is the best option. We are also concerned about the unit costs presented in the company's smart metering proposal. We expressed these concerns in our feedback letter in response to the company's draft WRMP. We expect the company to address these concerns in final WRMP. As we set out in our response to Arqiva's comments in section 4.1 of our final decision document, companies can accelerate smart metering schemes at their own risk through the transition expenditure programme. Companies should provide evidence that these schemes are the best option,		W

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
			address our concerns and include these schemes in their final WMRP.		
Scheme 2 – NHH Smart metering	11.17	11.17	**Our draft decision:** Significant concerns. Installation of 50,000 smart meters in non-household properties to deliver 2.1 Ml/d in water savings by 2025-26. This is an acceleration of a scheme that is not a preferred option in the company's dWRMP24. Company explained that this scheme is not included in dWRMP24 best value plan because their planning process for dWRMP24 did not consider wider customer-related benefits associated with non-household smart metering. It also explained that it is currently working in incorporating these wider benefits into its final WRMP24. This suggests that company is still developing its options and firming up its view about what the best option for final WRMP24 is. We therefore have significant concerns about whether the scheme submitted by the company is the best option. **Representations on our draft decision:** Arqiva challenged our decision not to accelerate six smart metering schemes arguing that delaying the rollout of smart water meters will delay the realisation of the benefits associated with this technology. Blueprint for Water also called for the acceleration of more non-household smart metering schemes. We received no other responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process. As we set out in our response to Arqiva's and Blueprint's comments in section 4.1 of our final decision document, companies can accelerate smart metering schemes at their own risk through the transition expenditure programme. Companies should provide evidence that these schemes are the best option, address our concerns and include these schemes in their final WMRP.		V

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
Scheme 6 New Water Sources	9.50	65.92	**Our draft decision:** Significant concerns**.** Proposed accelerated delivery of four new groundwater source options identified in the dWRMP, two of which are part of the North West transfer RAPID solution. Does not meet criteria on deliverability as accelerating the timeline is dependent on an assumption that an Environmental Impact Assessment (EIA) would not be required and discussion with the Environment Agency indicates this is not the case. The Environment Agency would require full environmental assessment (SEA, HRA and WFD) alongside further engagement across environmental regulators as well as significant monitoring and modelling to confirm the option is feasible, particularly focused on deterioration risk. We have concerns around the justification for moving Aughton Park borehole forward from 2060 (which is when it is selected in the dWRMP) to 2028-29 and whether this is the best option in that context. The total cost is high so it needs a high level of confidence it is the right investment and the information provided by United Utilities to date does not provide that level of confidence. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns**. As we have received no responses or additional evidence, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

A1.8 Water: Wessex Water

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
Scheme 1 – Corfe Mullen Yield	3.00	3.00	**Our draft decision:** Significant concerns. Proposed 3Ml/d peak output increase through removal of asset constraints to utilise full abstraction licence. No quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. The scheme does not feature in the current dWRMP meaning no comparable alternative options are presented and appraised. Potential for proposed work to be part of currently funded base maintenance activities to enable assets to be available and reliable as required. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		V
Scheme 2 – Dewlish turbidity	1.50	1.50	**Our draft decision:** Significant concerns. Proposed new filtration process to avoid 1.5Ml/d peak supply restriction during drought. Company confirmed that studies are currently being undertaken to identify the optimal turbidity removal technology. No quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best way of addressing it (the scheme does not feature in the current dWRMP24). Potential for proposed work to be part of currently funded base maintenance activities to enable assets to be reliable as required. Scheme withdrawn by Wessex Water February 2023 and the company is considering including it as part of its DWI PR24 programme. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:**		V

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
			Significant concerns. As we have received no responses or additional evidence, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 3 – Oakford Fitzpaine Resurrection of Source	0.60	1.50	**Our draft decision:** Significant concerns. Proposed 1.3Ml/d peak output increase by reinstating source through installation of abstraction and treatment assets. This proposal is a cheaper and faster temporary solution (delivering in five years rather than ten) than the permanent option rejected in the dWRMP. No quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		V
Scheme 4 – Wellhead Resurrection of Source	0.80	2.00	**Our draft decision:** Does not meet criteria. Proposed 1.5 Ml/d peak output increase by reinstating source through installation of abstraction and treatment assets. This is a rejected dWRMP scheme primarily due to environmental concerns confirmed by the Environment Agency, raising concerns about it meeting the scope and being clearly uncontroversial. No quantified need for investment (ie supply risk to be addressed) nor evidence why this is the best option to address it. The scheme does not feature in the current dWRMP meaning no comparable alternative options are presented and appraised. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:**		

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
			Does not meet criteria. As we have received no responses or additional evidence, for the reasons set out above, we continue to consider that the scheme does not meet our criteria. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 5 - Bowden to Devizes Transfer	5.52	13.80	**Our draft decision:** Significant concerns. Proposed 8Ml/d transfer provided through installation of new main to increase capability to transfer by 5Ml/d. Current preferred dWRMP option with acceleration aiming to deliver in 2028 (seven years earlier). Within the dWRMP the option does not provide water available for use (WAFU) benefit to the supply-demand balance meaning the dWRMP process cannot be relied on for justification of need or best option assessment. Therefore, there is no quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. This option aims to replace a current transfer main in a deteriorated condition meaning the proposal would be expected to include significant overlap with currently funded base maintenance activities to enable assets to be available and reliable as required. For its final WRMP the company should provide sufficient and convincing evidence of additionality eg. why the issues being highlighted should not already have been addressed through historical expenditure allowances (both enhancement and base). **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W
Scheme 6 - Pewsey Resilience Figheldean	0.83	2.50	**Our draft decision:** Significant concerns. Proposed new pipeline alongside the routing of an existing pipeline with new valve complex to increase capability to transfer water by 2 Ml/d. Current preferred dWRMP option to be implemented seven years ahead of the proposed delivery time in dWRMP24. Within the dWRMP the option does not provide water available for use (WAFU) benefit to the supply-demand balance meaning the dWRMP process cannot be relied on for justification of need or best option assessment. Therefore, there is no quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. For its final WRMP the company should provide sufficient and convincing evidence of		W

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
			additionality eg. why the issues being highlighted should not already have been addressed through historic allowances (both enhancement and base). **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 7 – Bristol to North Bath Transfer	0.64	1.60	**Our draft decision:** Significant concerns. Bristol to North Bath Transfer consisting of three new pumps and a valve complex able to improve the Bath distribution system and transfer 2.5 Ml/d between the North Grid zone and North zone by 2028. Current preferred dWRMP option, to be implemented seven years ahead of the proposed delivery time in dWRMP24. Within the dWRMP the option does not provide water available for use (WAFU) benefit to the supply-demand balance meaning the dWRMP process cannot be relied on for justification of need or best option assessment. Therefore, there is no quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. For its final WRMP the company should provide sufficient and convincing evidence of additionality eg. why the issues being highlighted should not already have been addressed through historic allowances (both enhancement and base). **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

Scheme	Cost 2022-25 (£m)	Total cost (£m)	Assessment	Overall	WRMP/ WINEP
Scheme 8 – smart metering	49.28	165.82	**Our draft decision:** Significant concerns. Installation of 181,986 smart meters in customer properties to deliver 7.5 Ml/d in water savings by 2024-25 in an area identified as water stressed. This is an acceleration of a scheme that is not included in the company's preferred plan in the dWRMP. The preferred metering option in the company's dWRMP is to implement a smart metering trial which involves the installation of 27,000 smart meters. The scheme submitted by the company proposes to implement universal smart metering, with 600,000 AMI smart meters to be installed by 2030. The company's dWRMP24 does consider a larger scale smart metering rollout option but this identifies AMR as the optimal meter technology. The company accepted that it has not conducted a full cost-benefit analysis of the acceleration scheme. We therefore have significant concerns that the proposed scheme is not the best option. Company should further develop its analysis of the costs and benefits of smart metering and the different smart metering technologies in time to inform its final WRMP. Company will be able to accelerate scheme at its own risk and get transition funding if scheme is included in final WRMP. **Representations on our draft decision:** Arqiva challenged our decision not to accelerate six smart metering schemes arguing that delaying the rollout of smart water meters will delay the realisation of the benefits associated with this technology. Blueprint for Water also called for the acceleration of more non-household smart metering schemes. We received no other responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process. As we set out in our response to Arqiva's and Blueprint's comments in section 4.1 of our final decision document, companies can accelerate smart metering schemes at their own risk through the transition expenditure programme. Companies should provide evidence that these schemes are the best option, address our concerns and include these schemes in their final WMRP		V

A1.9 Water: Yorkshire Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 - New groundwater supply and water treatment works - Brayton borehole	4.53	23.87	**Our draft decision:** Some concerns. Proposed new groundwater supply and water treatment works. Work would start in 2023 and would complete in 2024-25. Company provides insufficient evidence of additionality raising some concerns that the proposed work, or part of the proposed work, should have been taken forward using funding provided previously. Yorkshire Water has not provided sufficient and convincing evidence that it has considered a large enough number or wide enough range of feasible options in its dWRMP. We therefore have some concerns about whether this scheme is the best value option for customers. We also have some concerns around certainty of delivery because of risks including potential delays or objections to licence application and planning permissions. The scheme would also require groundwater investigation consents and test pumping which increases the uncertainty around delivery. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Some concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W
Scheme 2 - Magnesium limestone near Doncaster	2.61	37.69	**Our draft decision:** Some concerns. Proposed new groundwater abstraction near Doncaster. Work would start in 2023 and would complete in 2027-28. This scheme is selected in Yorkshire Water's preferred dWRMP. However, we have some concerns about whether this scheme is the best value option for customers because Yorkshire Water has not provided sufficient and convincing evidence that it has considered a large enough number or wide enough range of feasible options in its dWRMP. We also have some concerns around certainty of delivery because of risks including potential delays or objections to licence application and planning permissions. The Environment Agency raises uncertainty around environmental impacts and links with nearby surface waters that will require investigation and could lead to additional constraints on the scheme which increases the uncertainty around delivery. **Representations on our draft decision:**		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Some concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 3 - New groundwater supply and water treatment works - Marton-cum-Grafton SRE	11.00	56.73	**Our draft decision:** Some concerns. New groundwater supply and treatment works. This option has a minimum three year lead time that is dependent on a new abstraction licence being granted and the deployable output benefit is available from 2027-28. This option includes water treatment works so the unit cost is higher than other Yorkshire Water schemes. This scheme is selected as an option in Yorkshire Water's preferred plan and highlighted in the dWRMP. However, we have some concerns about whether this scheme is the best value option for customers because Yorkshire Water has not provided sufficient and convincing evidence that it has considered a large enough number or wide enough range of feasible options in its dWRMP. We also have some concerns around certainty of delivery because of risks including potential delays or objections to licence application and planning permissions. The scheme would also require groundwater investigation consents and test pumping and the Environment Agency raises uncertainty around environmental impacts which increases the uncertainty around delivery. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Some concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 4 New groundwater supply and water treatment works - Sherwood Sandstone support to grid	21.86	211.48	**Our draft decision:** Some concerns. New groundwater supply and treatment works. This option has a minimum 4-year lead time that is dependent on a new abstraction licence being granted. It would be started in 2023-4 and the DO benefit would be available from 2028-29. This scheme is selected as an option in Yorkshire Water's preferred plan and highlighted in the draft WRMP as an option that can be started in AMP7 to resolve a near-term deficit. However, we have some concerns about whether this scheme is the best value option for customers because Yorkshire Water has not provided sufficient and convincing evidence that it has considered a large enough number or wide enough range of feasible options in its draft WRMP. We also have some concerns around certainty of delivery because of risks including potential delays or objections to licence application and planning permissions. The scheme would also require groundwater investigation consents and test pumping, and the Environment Agency cites past issues with abstraction proposals from the Sherwood Sandstone, which increases the uncertainty around delivery. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Some concerns.** As we have received no responses or additional evidence, for the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W
Scheme 5 – Smart metering	42.46	43.34	**Our draft decision:** Some concerns. Installation of 186,116 smart meters in customer properties to deliver 6.0 Ml/d in water savings by 2025-26 and 7.2 Ml/d by 2028/29. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP. The company resubmitted its acceleration proposal. Company expects to reduce water demand by 7.2 Ml/d at a cost of £5.9 million per Ml/d. By contrast, the original proposal expected water savings of 20.3 Ml/d at a cost of £2.8 million per Ml/d. This is less than half the unit cost presented in the revised proposal. In addition, we have concerns that the company has not yet fully exhausted all lower cost options (such as pressure management) to address its supply-demand balance deficit and leakage target. The company confirmed that it is still developing its leakage plan for PR24 and that it cannot provide details of the costs and benefits of the leakage options included in its dWRMP24. We are therefore not confident that the proposed smart metering scheme is the best option. Company should further develop its demand management strategy (including the costs and benefits of its leakage and metering options) for final WRMP24. Company		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			will be able to accelerate proposed smart metering scheme at its own risk and get transition funding if scheme included in final WRMP. **Representations on our draft decision:** Arqiva challenged our decision not to accelerate six smart metering schemes arguing that delaying the rollout of smart water meters will delay the realisation of the benefits associated with this technology. Blueprint for Water also called for the acceleration of more non-household smart metering schemes. We received no other responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Some concerns.** For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process. As we set out in our response to Arqiva's and Blueprint's comments in section 4.1 of our final decision document, companies can accelerate smart metering schemes at their own risk through the transition expenditure programme. Companies should provide evidence that these schemes are the best option, address our concerns and include these schemes in their final WMRP.		

A1.10 Water: Affinity Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 – Hatton Cross 2 Booster pumping station	2.27	6.80	**Our draft decision:** Some concerns. Scheme including 3.3 km of trunk main and a 13 Ml/d booster pumping station. The delivery of this scheme is proposed to be brought forward by two years compared to initial plans set out in dWRMP24 (2026 instead of 2028). The scheme is a preferred solution in dWRMP24 however we have raised concerns about Affinity Water's dWRMP in our consultation response including concerns relating to options sufficiency meaning we do not have full confidence it represents the best option. There are complex dependencies between Affinity Water schemes 1-5 which raise some concerns about the outputs each would achieve. Although this option appears to have a low unit cost it is unlikely that this can be realised independently of the other schemes proposed. Supporting schemes AFW 1-5 would significantly raise the unit cost which does not give us confidence to support this option for acceleration. **Representations on our draft decision:** Affinity Water provided additional information on its WRMP modelling and options appraisal and the scenarios considered. The company acknowledged that the interdependencies create challenges when comparing outputs on a unit cost basis. However, Affinity Water state the solution proposed represents the best value and each scheme's outputs and outcomes can be assessed independently. The company proposed some PCDs for the Connect 2050 schemes. **Our final decision:** **Some concerns.** We welcome the continued discussion with Affinity Water on its Connect 2050 schemes. There are links with PR19 funding, potential overlaps with base expenditure and complex dependencies between the schemes which need to be explained more clearlyby the company. This is necessary to understand the costs and benefits of Connect 2050 schemes and address our concerns on whether this presents the best option. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 2 – Connect 2050 – Ickenham to Harrow TM and New BPS	6.35	27.00	**Our draft decision:** Some concerns. Proposed scheme delivering 9km of trunk main and a 21Ml/d booster pumping station plus civils, power and surge protection to allow for 30Ml/d (required by 2050). The delivery of this scheme is brought forward by two years to 2028 from dWRMP24. The scheme is a preferred solution in dWRMP however we have raised concerns about Affinity Water's dWRMP in our consultation response including concerns relating to options sufficiency meaning we do not have full confidence it represents the best option. There are also complex dependencies between Affinity Water schemes 1-5 which raises some concerns about the outputs each would achieve. Although this option appears to have a low unit cost it is unlikely that this can be realised independently of the other schemes proposed. Supporting schemes AFW 1-5 would significantly raise the unit cost which does not give us confidence to support this option for acceleration. **Representations on our draft decision:** Affinity Water provided additional information on its WRMP modelling and options appraisal and the scenarios considered. The company acknowledged that the interdependencies create challenges when comparing outputs on a unit cost basis. However, Affinity Water state the solution proposed represents the best value and each scheme's outputs and outcomes can be assessed independently. The company proposed some PCDs for the Connect 2050 schemes. **Our final decision:** **Some concerns**. We welcome the continued discussion with Affinity Water on its Connect 2050 schemes. There are links with PR19 funding, potential overlaps with base expenditure and complex dependencies between the schemes which need to be explained more clearly by the company. This is necessary to understand the costs and benefits of Connect 2050 schemes and address our concerns on whether this presents the best option. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 3 – Increase DO Chertsey/Walton	0.40	4.50	**Our draft decision:** Some concerns. Scheme to provide an additional 40Ml/d treatment capacity provided across two sites (Chertsey and Walton) by 2027. The proposal is to bring forward the delivery of this scheme by 2 years (2027 instead of 2029). This is based on a 5-year delivery programme. The scheme is a preferred solution in dWRMP24 however we have raised concerns about Affinity Water's WRMP in our consultation response including concerns relating to options sufficiency meaning we do not have full confidence it represents the best option. There are also complex dependencies between Affinity Water schemes 1-5 which raises some concerns about the outputs each would achieve. Although this option appears to have a low unit cost it is unlikely that this can be realised independently of the other schemes proposed. Supporting schemes AFW 1-5 would significantly raise the unit cost which does not give us confidence to support this option for acceleration. **Representations on our draft decision:** Affinity Water provided additional information on its WRMP modelling and options appraisal and the scenarios considered. The company acknowledged that the interdependencies create challenges when comparing outputs on a unit cost basis. However, Affinity Water state the solution proposed represents the best value and each scheme's outputs and outcomes can be assessed independently. The company proposed some PCDs for the Connect 2050 schemes. **Our final decision:** **Some concerns.** We welcome the continued discussion with Affinity Water on its Connect 2050 schemes. There are links with PR19 funding, potential overlaps with base expenditure and complex dependencies between the schemes which need to be explained more clearly by the company. This is necessary to understand the costs and benefits of Connect 2050 schemes and address our concerns on whether this presents the best option. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 4 – Midway North BPS upgrade	0.85	1.00	**Our draft decision:** Some concerns. Midway North Booster Pumping Station upgrade is a PR19 scheme still on track to deliver 17Ml/d transfer capacity by 2025 that could be enhanced to deliver an additional 8 Ml/d transfer capacity by 2026 (totalling 25 Ml/d). The additional £0.85 million is to cover the net cost difference between the two schemes (17Ml/d at Midway North vs. 25Ml/d at Stanwell Moor (new booster location). We have some concerns about timing as there is not an acceleration from the original PR19 delivery date, however an additional 8Ml/d would follow a year after the PR19 planned output. In the dWRMP24 this scheme is part of the preferred 50Ml/d Egham to Iver Transfer scheme delivering 38 Ml/d by 2029. There are complex dependencies between Affinity Water schemes 1-5 which raises some concerns about the outputs each would achieve. Although this option appears to have a low unit cost it is unlikely that this can be fully realised independently of the other schemes proposed. Supporting schemes AFW 1-5 would significantly raise the unit cost which does not give us confidence to support this option for acceleration. **Representations on our draft decision:** Affinity Water provided more information on its WRMP modelling and options appraisal and the scenarios considered. The company acknowledged that the interdependencies create challenges when comparing outputs on a unit cost basis. However, Affinity Water state the solution proposed represents the best value and each scheme's outputs and outcomes can be assessed independently. The company proposed some PCDs for the Connect 2050 schemes. **Our final decision:** **Some concerns.** We welcome the continued discussion with Affinity Water on its Connect 2050 schemes. There are links with PR19 funding, potential overlaps with base expenditure and complex dependencies between the schemes which need to be explained more clearly by the company. This is necessary to understand the costs and benefits of Connect 2050 schemes and address our concerns on whether this presents the best option. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 5 – Transfer water from Egham to Harefield including BPS upgrade	5.09	52.31	**Our draft decision:** Some concerns. Transfer from Egham to Harefield including booster pumping station upgrade that is in the dWRMP24 as part of the preferred 50Ml/d Egham to Iver Transfer scheme planned to deliver 38 Ml/d by 2029. The planned acceleration will bring the delivery of the scheme forward by one year to 2028 which is only a modest acceleration that could be lost through slippage raising some concerns on timing. The dWRMP24 scheme builds on the WRMP19/PR19 17Ml/d Egham to Iver scheme by 2025 which Affinity is still planning to deliver so net DO benefit is 21Ml/d. Unit cost is relatively low, however it is a high overall cost and dependencies on AFW 1-4 could increase the unit cost further and raise some concerns about outputs. Given concerns we have expressed about Affinity Water's dWRMP, including concerns about options sufficiency, we are not confident it is the best option and do not support it for acceleration. **Representations on our draft decision:** Affinity Water provided more information on its WRMP modelling and options appraisal and the scenarios considered. The company acknowledged that the interdependencies create challenges when comparing outputs on a unit cost basis. However, Affinity Water state the solution proposed represents the best value and each scheme's outputs and outcomes can be assessed independently. The company proposed some PCDs for the Connect 2050 schemes. **Our final decision:** **Some concerns.** We welcome the continued discussion with Affinity Water on its Connect 2050 schemes. There are links with PR19 funding, potential overlaps with base expenditure and complex dependencies between the schemes which need to be explained more clearly by the company. This is necessary to understand the costs and benefits of Connect 2050 schemes and address our concerns on whether this presents the best option. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 6 – Harefield to Oxhey and Oxhey to Bushey	1.38	1.38	**Our draft decision:** Some concerns. Scheme is to increase strategic transfer capacity and was selected for AMP11 in the dWRMP24 as part of Affinity's Connect 2050 plan, brought forward to 2024. There is some uncertainty over water resource benefit to Colne WRZ to meet 2029 demand and inconsistency between the submission and the query response. This suggests there is uncertainty around water resources benefit / outputs. The unit cost is relatively low, however this is based on uncertain outputs and is likely to be dependent on other Connect 2050 schemes. Given the information provided and the concerns we have expressed relating to Affinity Water's WRMP, we are not confident it is the best option. This concern is exacerbated by the significant acceleration, which raises questions whether it is the best option at this time, and the ambiguity around outputs. **Representations on our draft decision:** Affinity Water provided more information on its WRMP modelling and options appraisal and the scenarios considered. The company acknowledged that the interdependencies create challenges when comparing outputs on a unit cost basis. However, Affinity Water state the solution proposed represents the best value and each scheme's outputs and outcomes can be assessed independently. The company proposed some PCDs for the Connect 2050 schemes. The response did not address the significant acceleration planned and the questions that this raises about need. The company offered to discuss inconsistencies in data. **Our final decision:** **Some concerns.** We welcome the continued discussion with Affinity Water on its Connect 2050 schemes. There are links with PR19 funding, potential overlaps with base expenditure and complex dependencies between the schemes which need to be explained more clearly by the company. This is necessary to understand the costs and benefits of Connect 2050 schemes and address our concerns on whether this presents the best option. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		W
Scheme 7 – Smart metering	9.00	9.00	**Our draft decision:** Meets criteria. Installation of 20,000 smart meters in customer properties to deliver 1.5 Ml/d in water savings by 2025-26 in an area identified as water stressed. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. The need for the scheme has been clearly identified. It will help company address the supply and		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			demand balance deficit in future years and meet the per capita consumption target of 110 l/h/d by 2050. Company has set out clear outputs and deliverables. We are proposing to impose a price control deliverable that reflects these outputs, ie. 20,000 smart meters installed by 2024-25. To ensure that the scheme is additional to the company's existing PR19 commitments, we are proposing a condition on transition expenditure funding for this investment on the company delivering its PR19 metering programme and obtaining confirmation from Ofwat that the company is on track to deliver most of its waster enhancement programme by 31 March 2025. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March 2025. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Meets criteria.** As we received no responses or additional evidence, and for the reasons set out above, we retain our draft decision that the scheme meets the criteria for the acceleration process.		
Scheme 8 – Broome (NO_3)	0.40	5.00	**Our draft decision:** Meets criteria. Delivery of accelerated detailed design and planning permissions by end of 2024-25, leading to construction of nitrate (NO_3) treatment plant delivering in 2027-28. Clear need for investment to meet water quality risks with the DWI to support with a legal instrument. Although there is only limited evidence of option appraisal it is considered low risk/regret especially given relatively low unit costs to secure 2.5 Ml/d of annual average deployable output and 4.5 Ml/d peak week output. The price control deliverables reflect the peak and annual average outputs from the delivery of the overall scheme and the proportion of scheme delivery that the design and planning activity during this price review period. **Representations on our draft decision:** Affinity Water raised concerns with how the PCDs for deliverables in AMP8 would be applied should the scheme not be funded in the PR24 final determinations, or the scheme not progress due to exogenous factors beyond management		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			control. **Our final decision:** **Meets criteria.** We have removed the AMP8 deliverables where we are only allowing funding for delivery of a distinct part of a scheme through the accelerated process following discussions with Affinity Water. We will retain relevant information (scale of final outputs and delivery timings) as part of the scheme delivery expectations. For the reasons set out above we confirm that we consider the scheme meets our criteria and therefore eligible for transition expenditure funding under the conditions set out in the price control deliverable.		
Scheme 9 – Kingsdown (NO_3)	0.40	5.00	**Our draft decision** Meets criteria. Delivery of accelerated detailed design and planning permissions by end of 2024-25, leading to construction of nitrate (NO_3) treatment plant delivering in 2026-27. Clear need for investment to meet water quality risks with the DWI to support with legal a instrument. Although there is only limited evidence of option appraisal it is considered low risk/regret especially given relatively low unit costs to secure 3.17 Ml/d of annual average deployable output and 3.7 Ml/d peak week output. The price control deliverables reflect the peak and annual average outputs from the delivery of the overall scheme and the proportion of the scheme delivery that the design and planning activity during this price review period. **Representations on our draft decision** Affinity Water raised concerns with how the PCDs for deliverables in AMP8 would be applied should the scheme not be funded in the PR24 final determinations, or the scheme not progress due to exogenous factors beyond management control. **Our final decision** **Meets criteria.** We have removed the AMP8 deliverables where we are only allowing funding for delivery of a distinct part of a scheme through the accelerated process following discussions with Affinity Water. We will retain relevant information (scale of final outputs and delivery timings) as part of the scheme delivery expectations.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			For the reasons set out above we confirm that we consider the scheme meets our criteria and therefore eligible for transition expenditure funding under the conditions set out in the price control deliverable.		
Scheme 10 – Holywell (PFOS)	0.25	0.45	**Our draft decision:** Meets criteria. Replacement and reinstatement of granular activated carbon filter media treatment process to meet rising PFOS challenge by the end of 2025-26. Clear need for investment to meet water quality risks with the DWI to support with a legal instrument. Although there is only limited evidence of option appraisal it is considered low risk/regret especially given low unit costs to secure 20.46 Ml/d peak week output. The price control deliverables reflect the filter replacement profile and peak outputs. **Representations on our draft decision:** Affinity Water raised concerns with how the PCDs for deliverables in AMP8 would be applied should the scheme not be funded in the PR24 final determinations, or the scheme not progress due to exogenous factors beyond management control. Affinity Water also raised technical nomenclature issues in the scheme delivery expectations, such as adsorber rather than filter, and regenerated or replaced media rather than enhanced media. Also, that the necessary PFOS removal may be achieved with fewer than 12 absorbers having media reinstated or replaced and the existing adsorber structures themselves are not planned for replacement as may be inferred. **Our final decision:** **Meets criteria.** We have removed the AMP8 deliverables where we are only allowing funding for delivery of a distinct part of a scheme through the accelerated process following discussions with Affinity Water. We will retain relevant information (scale of final outputs and delivery timings) as part of the scheme delivery expectations. We have updated the scheme delivery expectations referring to adsorbers rather than filters; regenerated or virgin media rather than enhanced media; and delivery of 6 existing absorbers in AMP7 and up to 12 filters for the total peak output.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			For the reasons set out above we confirm that we consider the scheme meets our criteria and therefore eligible for transition expenditure funding under the conditions set out in the price control deliverable		
Scheme 11 – Egham WTW	4.00	24.00	**Our draft decision:** Does not meet criteria. Existing DWI legal instrument for improvement is in-place (post PR19) and work has commenced in AMP7 that will continue into AMP8 at this major surface water treatment works. AMP7 costs are covered as part of PR19 settlement and not an acceleration in AMP7. Any proposals for possible enhancement expenditure may be part of DWI PR24 programme. **Representations on our draft decision:** Affinity Water raised concerns that our draft decision did not accurately reflect the nature of the DWI notices of the work funded to be undertaken within AMP7 and the separate works necessary to meet the AMP8 deadlines. **Our final decision:** **Does not meet criteria.** We discussed these concerns with the company. We highlighted a concern that Egham WTW scheme was not part of the formal DWI PR24 programme to allow rigorous assessment through the DWI and Ofwat business plan assessment processes. We raised the matter with the DWI and agreed that Egham WTW AMP8 proposals should be submitted to the DWI as part of the DWI price review process. We also highlighted that Affinity Water can consider whether to accelerate elements of the AMP8 works through the transition expenditure programme to achieve statutory deadlines in the DWI notice. For the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 12 – Iver WTW	6.00	40.00	**Our draft decision** Does not meet criteria. Existing DWI legal instrument for improvement is in-place (post PR19) and work has commenced in AMP7 that will continue into AMP8 at this major surface water treatment works. AMP7 costs are covered as part of PR19		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			settlement and not an acceleration in AMP7. Any proposals for possible enhancement expenditure may be part of DWI PR24 programme. **Representations on our draft decision** Affinity Water raised concerns that our draft decision did not accurately reflect the nature of the DWI notices of the work funded to be undertaken within AMP7 and the separate works necessary to meet the AMP8 deadlines. **Our final decision** **Does not meet criteria**. We discussed these concerns with the company. We highlighted a concern that the Iver WTW scheme was not part of the formal DWI PR24 programme to allow rigorous assessment through the DWI and Ofwat business plan assessment processes. We raised the matter with the DWI and agreed that Iver WTW AMP8 proposals should be submitted to the DWI as part of the DWI price review process. We also highlighted that Affinity Water can consider whether to accelerate elements of AMP8 works through the transition expenditure programme to achieve statutory deadlines in the DWI notice. For the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 13 – Network calming	5.02	55.00	**Our draft decision:** Some concerns. Proposal to install 662 new pressure reducing valve (PRV) controllers and 37 new PRVs (with intelligent controllers). Company states that this will deliver 238 less main repairs and 0.5Ml/d leakage saving by 2025-26. Proposed scheme only has partial alignment with the company's dWRMP24 demand management option. The leakage unit costs are very high so some concerns as to whether this is the best option. The company outperforming on its PR19 mains repairs performance commitment, meaning some concerns about need for investment requiring additional funding from customers to do more. **Representations on our draft decision:** Affinity Water states that its WRMP demand management option is being updated and will accurately reflect the latest business case for network calming. It identifies that on a unit cost basis, network calming is a high-cost solution and would hence be cost prohibitive as an in period base totex leakage option. However, it states that network calming will		V

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			reduce leakage for the duration of the asset lives of the equipment installed, representing a lower-cost solution over the 25-year period, as outlined per pressure management solutions within its WRMP. **Our final decision:** **Some concerns.** We welcome that the company is ensuring alignment between WRMP and business plan submissions. There is still uncertainty about the in-period need for further improvements. This also appears to be a base activity or can help the company achieve further outperformance. We expect leakage options presented in final WRMPs and business plans to contain sufficient and convincing evidence why it is best value (when compared to other demand side options) and that the unit costs are efficient. For the reasons set out above, including the need for further improvements to mains repair performance, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 14- Uttlesford Bridge	8.27	61.70	**Our draft decision:** Some concerns. Uttlesford Bridge is part of Affinity Water's Connect 2050 plan and was selected for AMP11 in the dWRMP24. The proposal is to bring it forward to deliver 16Ml/d benefit in 2029 to increase water resilience in the Stort WRZ when the Uttlesford Bridge pumping station is turned off due to AMP8 sustainability reductions. This scheme will produce an additional WAFU of 16Ml/day and storage of 20Ml for WRZ5 (Stort). There is no additional DO as this is an internal transfer scheme. The unit cost is not unusually high, however, it has a high overall cost. Given the concerns we have raised on Affinity Water's WRMP, we are not sufficiently confident that this is the best option. This concern is exacerbated by the significant acceleration which raises some concerns about whether it is the best option at this time. **Representations on our draft decision:** Affinity Water accepted our draft decision with no further response. **Our final decision:** **Some concerns.** Affinity Water accepted our draft decision and, for the reasons set out above, we continue to have some concerns. Therefore our final decision is to not approve the scheme for the acceleration process.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 15 – Biodiversity	0.50	1.01	**Our draft decision:** Significant concerns. Proposed implementation of approved land management plans developed as part of PR19 WINEP. Without acceleration delivery likely to be through PR24 WINEP. Company states the benefits will be to improve raw water quality and water resource yields but without quantifying these (ie no quantified benefit to water resilience). Provided biodiversity metric benefits using old Defra tool that will be updated, but at present would be unable to track outputs consistently for PR24. **Representations on our draft decision:** Affinity Water accepted our draft decision with no further response. The company stated that it will provide greater detail within its PR24 business plan. **Our final decision:** **Significant concerns.** Affinity Water accepted our draft decision and, for the reasons set out above, we continue to have significant concerns. Therefore, our final decision is to not approve the scheme for the acceleration process.		E
Scheme 16 – Borehamwood Transfer	2.00	2.00	**Our draft decision:** Significant concerns. Proposal to improve resilience if Anglian Water and/or Thames Water imports are reduced. However, the risk associated with these imports is not quantified, and therefore the need for investment is not clear. There is no clear optioneering to identify whether this is the best option. The scheme provides cost savings to Affinity Water so could be progressed through base as spend to save. **Representations on our draft decision** In its response Affinity water stated that the likelihood is inherently difficult to accurately quantify being driven by other company assets and operational decision making. However, they expect that these imports will regularly become unavailable during the increasingly frequent high demand periods, as seen in the hot weather period of summer 2022, when this most recently occurred. In-depth optioneering cannot be undertaken for this component of the overall AMP11 solution in isolation from the wider WRMP schemes but has been undertaken at that level.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Affinity Water set out that the scheme does provide an opportunity for potential cost saving, however this is partially offset by the operation & maintenance costs and they do not believe this should preclude the investment from enhancement (or accelerated enhancement) costs entirely. Affinity Water provided further information on the additional operation and maintenance cost of the scheme. **Our final decision:** **Significant concerns.**We acknowledge that the risk is difficult to quantify, and there has been optioneering at the overall scheme level. However, given the cost savings that can be achieved, this scheme should be progressed as spend to save from base allowances. Our final decision is not to approve the scheme for the acceleration process because of the overlap with activities funded through base expenditure allowances.		
Scheme 17 – Temple End Turbidity	0.75	0.75	**Our draft decision:** Some concerns. New filtration to avoid prolonged run to waste. 0.67 Ml/d water available for use increase from 2024-25, minimises Anglian Water import and therefore Affinity Water opex costs. No clear or quantified need assessment or why this is best option for addressing these needs. DWI to support with revision to existing legal instrument with delivery in AMP7. AMP7 costs are covered as part of PR19 settlement and not an acceleration in AMP7. **Representations on our draft decision:** Affinity Water accepted our draft decision and will provide greater detail within their PR24 business plan submission. **Our final decision:** **Some concerns**. Affinity Water accepted our draft decision and, for the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		V
Scheme 18 – Stortford WQ (NO_3)	1.94	1.94	**Our draft decision:** Meets criteria. Delivery of blending solution in AMP7 to safeguard 2.69 Ml/d annual average deployable output by the end of 2024-25. Clear need for investment to meet water quality risks with the DWI to support with a legal instrument. No evidence of alternative options under consideration but blending considered best value industry option when feasible to do so. The price control deliverables reflect the annual average deployable output, resilience need and domestic		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			properties receiving an improved security of supply. **Representations on our draft decision:** Affinity Water accepted our draft decision and the price control deliverable for AMP7. **Our final decision:** **Meets criteria**. For the reasons set out above, we confirm that the scheme meets our criteria and is therefore eligible for transition expenditure funding under the conditions set out in the price control deliverable.		

A1.11 Water: Bristol Water (now a part of South West Water)

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 5 - Honeyhurst Raw Water Transfer	4.79	4.79	**Our draft decision:** Significant concerns. 2.8Ml/d raw water transfer option to start 2023-24 and complete March 2025. Primarily focused on reducing algal bloom risk in Cheddar reservoir. Some concerns about whether it is in scope because it is not needed to address a specific supply-demand balance deficit. Significant concerns about need for investment and whether it is the best option because it is not compared against other similar options for best value analysis. **Representations on our draft decision:** South West Water responded acknowledging that the scheme does not meet the acceleration criteria. **Our final decision** **Significant concerns.** South West Water accepted our draft decision and, for the reasons set out above, we continue to have significant concerns. Therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 6 - Sherborne Raw Water Transfer	0.84	0.84	**Our draft decision:** Significant concerns. 3.5Ml/d raw water transfer option to start 2023-24 and complete 2025-26. Primarily focused on reducing algal bloom risk in Chew Valley reservoir. Some concerns about whether it is in scope because it is not needed to address a specific supply / demand deficit. Significant concerns about need and whether it is the best option because it is not compared against other similar options for best value analysis. **Representations on our draft decision** South West Water stated that this scheme was included in its DWI Appendix B submission in January 2023 and is part of its final plan that the company feels delivers best value. The company would like to accelerate the delivery of this scheme through this process and states that it provides resilience by allowing use of a source within a treatment process that can blend with other water in drought conditions. The company also reference Ofwat's approach that accelerated investment only relates to supply and demand but take the view that this wasn't the sole purpose of accelerated investment and DWI schemes can also be considered such as Sherborne.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Our final decision **Significant concerns.** We continue to have some concerns about whether it is in scope because it is not needed to address a specific supply / demand deficit. We also still have significant concerns about whether it is the best value option as it has not been comprehensively compared against other options. We have discussed Sherborne Raw Water Transfer with DWI and they have not expressed support for this scheme. For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 7 - Cheddar 2 Reservoir Advance Works	19.80	19.80	**Our draft decision:** Does not meet criteria. Advance works for Cheddar 2 reservoir. This option is purely feasibility and design work – no water would be delivered until 2035 which puts it out of scope. Design work has already been funded at £4.9 million at PR19 and is progressing through the RAPID process. Cheddar 2 has been considered but not selected in relevant WRMPs meaning criteria are not met on need and whether it is the best option. Water companies set to benefit from the water, such as Wessex, are not clear on their need for it adding to concerns on need. Timeline, and Environment Agency concerns including potential impacts on peatlands and reductions to flows, raise issues with deliverability. **Representations on our draft decision:** South West Water stated that Ofwat's regional plan feedback and the additional cost of regional appraisal means the scheme meets the criteria. The company believe the need for Cheddar 2 has become clearer and expect it will be included in the final WRMP for South West Water. The company state the funding is necessary to get individual plans in the region consistent on Cheddar 2. The company says that its desire is to progress this so it can be delivered for 2030 or shortly afterwards, with the support of the accelerated delivery process. However, it does not provide a commitment or clear plans to do so. The company also questioned concerns around environmental barriers to deliverability relating to peatlands and flow reductions. **Our final decision:** **Does not meet criteria.** Despite the apparent ambition to deliver earlier there are no firm plans for water to be delivered until 2035 which puts it out of scope. The company expects it to be included in a future iteration of its plan, however, the needs case is not yet established. This means the criteria are not met on need and whether it is the best option. Cheddar 2 is already receiving significant oversight and funding through the RAPID gated process. The scheme has been assigned		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			a conditional review point at 29 January 2024 which will determine progression to gate 3. If Cheddar 2 progresses through its conditional review point it will receive a substantial funding uplift. We believe that the current support being given to this scheme is sufficient. The RAPID draft decision document, which was published after the company sent in its representation, included several environmental actions meaning our related concerns around deliverability remain. In response to the company's request for funds to align individual plans in the region on Cheddar 2, wehighlight that water resources planning including initial scheme design / feasibility assessment is a base activity and unsuitable for enhancement funding. For the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 8 – WQ monitoring	1.03	1.03	**Our draft decision:** Does not meet criteria. Not a new scheme, expansion of existing small scale innovation scheme. No quantifiable resilience benefits nor alternatives explored. **Representations on our draft decision:** The company accepted our draft decision, commenting it was part of a current DWI scheme. **Our final decision:** **Does not meet criteria.** South West Water accepts our draft decision and, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 9 – Resource West	1.45	1.45	**Our draft decision:** Significant concerns. Proposed collaborative water efficiency project with National Grid and Wales and West Utilities. Although company clearly defines scheme outcomes (eg. per capita consumption reduction of 0.35 l/h/d by 2024-25 and 0.7 l/h/d by 2027-28), it is unclear why this scheme was chosen as the best option as it is effectively a large trial and not in the company's dWRMP24. The company is currently off track in its delivery of its PR19 per capita consumption performance commitment meaning this is an activity the company should be considering delivering in period without further customer funding.		V

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Representations on our draft decisions: In its representation, the company stated that it will consider the scheme for its final WRMP. **Our final decision:** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 13 – supply pipe leakage	0.98	0.98	**Our draft decision:** Meets criteria. Proposed scheme to replace 1,000 supply pipes. We note that this a higher cost than South West Water's similar scheme funded at green recovery. Clearly defined need and deliverables in terms of leakage reduction (0.25Ml/d by end of 2024-25). This equates to 250l/d per pipe replaced, better than South West Water's benefit per pipe in green recovery. Scheme is not part of the current dWRMP24 so not compared against alternative options but similar to an approved scheme in South West Water's green recovery process which noted multiple benefits especially if synergies explored with lead reduction. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March 2025. The number of leaking supply pipes replaced and leakage reduction are reflected in the scheme price control deliverables. **Representations on our draft decision:** South West Water proposed the following revised wording for assurance section of the scheme delivery expectations. "The company's assurance processes should include reviews with independent, third-party assurer, and their assurance should report that the above conditions have been met. The Company will submit the relevant assurance reports to Ofwat." **Our final decision:** **Meets criteria.** Our proposed assurance wording is 'Independent assessment and assurance of completed deliverables in this period must be provided to Ofwat as set out below.' We consider that this assurance wording is clear and unambiguous to ensure the completed deliverables are effectively assured. There will be no change to our requirements		V

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			for independent assessment and assurance of completed deliverables for the reasons set out in section 3.3 of the accelerated infrastructure delivery project final decision document. For the reasons set out above, we confirm that we consider the scheme meets our criteria and have therefore included the scheme in the acceleration process.		
Scheme 14 - Bristol smart metering	2.99	2.99	**Our draft decision:** Significant concerns**.** Installation of 20,000 smart meters in customer properties to deliver 0.5 Ml/d in water savings by 2024-25. This is an acceleration of a scheme that is not a preferred best option in the company's dWRMP24. Company is proposing to install AMI meters to mirror South West Water's metering strategy. Company however identified the installation of AMR meters (which are less smart and cheaper than AMI) as preferred option in dWRMP24. Therefore, we have significant concerns that the scheme submitted by the company is not the best option. Company will be able to accelerate scheme if included in final WRMP24. **Representations on our draft decision:** In its consultation response, South West Water expressed its intention to revisit its draft WRMP metering proposal for final WRMP and therefore requested Ofwat to consider the approval of the metering scheme proposed under the acceleration programme. Arqiva also raised a concern that delaying the rollout of smart metering would delay the realisation of the benefits associated with this technology. **Our final decision** **Significant concerns.** For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process. The proposed scheme is not consistent with the preferred option selected by the company in its draft WRMP. Therefore we are not clear if the proposed scheme is the best optionCompany can still accelerate scheme at its own risk through transition expenditure programme provided that it provides evidence that the scheme is the best option, addresses our concerns and includes scheme in final WMRP.		V

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 15 – Lead supply pipes	1.72	1.72	**Our draft decision** Meets criteria. Extension of South West Water's green recovery lead supply pipe replacement trial to Bristol Water's area by end of 2024-25. DWI to support with a legal instrument. No quantifiable resilience benefits but likely to have associated benefits when combined with scheme 13 (see further comments above). The number of external and internal lead supply pipes replaced are reflected in the scheme price control deliverables. **Representations on our draft decision** South West Water proposed the following revised wording for the assurance section of the scheme delivery expectations. "The company's assurance processes should include reviews with independent, third-party assurer, and their assurance report should report that the above conditions have been met. The Company will submit the relevant assurance reports to Ofwat." **Our final decision** Our proposed assurance wording is 'Independent assessment and assurance of completed deliverables in this period must be provided to Ofwat as set out below.' We consider that this assurance wording is clear and unambiguous to ensure the completed deliverables are effectively assured. There will be no change to our requirements for independent assessment and assurance of completed deliverables for the reasons set out in section 3.3 of the accelerated infrastructure delivery project final decision document. **Meets criteria**. As South West Water accepted our draft decision and for the reasons set out above, we continue to consider the scheme meets the criteria and have therefore included the scheme in the acceleration process.		

A1.12 Water: Portsmouth Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 – Universal smart metering	11.55	64.36	**Our draft decision:** Meets criteria. Installation of supporting smart infrastructure and the running of a smart trial involving the installation of 500 smart meters in Hampshire and West Sussex. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. The scheme will initially focus on accelerating investment on supporting infrastructure which will enable the use of smart meters early in the 2025-30 period. This supporting infrastructure includes meter data management system, cloud storage infrastructure, software purchasing and system implementation and integration. The scheme will allow company to bring forward 2.5 Ml/d in water savings by the end of 31 March 2030 in an area identified as water stressed. The need for the scheme has been clearly identified. It will help company address the supply and demand balance deficit in future years and meet the per capita consumption target of 110 l/h/d by 2050. Company has set out clear outputs and deliverables. We are proposing to impose a price control deliverable that reflects these outputs, ie. installation of supporting smart infrastructure and 500 smart meters by 2024-25. To ensure that the scheme is additional to the company's existing PR19 commitments, we are proposing a condition on transition expenditure funding for this investment on the company delivering its PR19 metering programme by 31 March 2025. We do not expect scheme to have a material impact on the company's leakage and per capita consumption performance in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March 2025. The efficiency of costs of the scheme will be assessed as part of our PR24 review process and will consider the costs proposed by other companies for similar activities, amongst other factors. **Representations on our draft decision:** CCW questioned whether there was an error in our draft decision document given the significant gap between the numbers quoted inthis document (£12 million quoted on page 5 and £120 million in Table 4.2). It stated that the accelerated investment package of £120 million represents two thirds of the company's allowed totex at PR19 of £179 million. CCW queried if the £120 million figure was the longer term 'life' cost of the investment, which would mean that the costs will be recovered over a longer period. **Our final decision:**		W

			Meets criteria. For the reasons set out above, we retain our draft decision that the scheme meets the criteria for the acceleration process. The £120 million figure quoted in Table 4.2 of our draft decision refers to the smart metering investment that Portsmouth Water plans to make over multiple control periods. The proposed amount of investment is £11.5 million for the 2023-25 period and £52.8 million for the 2025-30 period. We estimate that this investment will increase customer bills by an average of less than £10 per year over the 2025 to 2030 period.		
Scheme 2 - Change of occupancy metering	1.82	1.82	**Our draft decision:** Does not meet criteria. Installation of 5,600 basic meters to deliver water savings of 0.3 Ml/d by 2024-25. This is a scheme that is not part of the company's dWRMP24. It is an extension of the company's PR19 metering programme which the company is proposing to discontinue in its dWRMP24. Company is now moving towards a smart metering strategy as set out in its dWRMP24. The company's dWRMP24 therefore suggests that the acceleration scheme is not the best option. We are also concerned that the scheme has the risk of abortive costs due to the company's plans to replace basic meters with smart meters. Company is also behind on its PR19 metering programme but said it has a plan to deliver it by the end of regulatory period. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria**. As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 3 - Maindell & Slindon drought	2.37	2.37	**Our draft decision:** Some concerns. Proposed installation of mobile ultraviolet unit to address cryptosporidium risks and provides additional water supplies increasing peak capacity. Although the stated benefits are 1.5Ml/d at Maindell and 10 Ml/d at Slindon in terms of peak week 1-in-200 deployable output, there is no quantified need for investment (ie supply risk to customers to be addressed) beyond the schemes in the dWRMP. Although the unit cost of delivery is reasonable, as this is only a temporary solution there are risks that on this basis it is not cost effective. The Environment Agency has concerns about drought permit yield and require further evidence on environmental monitoring and mitigation. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** Some concerns. As we received no responses or additional evidence, for the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		V

A1.13 Water: South East Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 - Challock Borehole Resilience	3.50	3.50	**Our draft decision:** Some concerns. Two new boreholes in order to achieve maximum site output. Main PR19 funded schemes will support area by 2025, but this scheme will give maximum supply in the interim (for one year). The risk (likelihood of occurrence) is not quantified and therefore the need for investment is not clear. The scheme was not included in dWRMP so has not been included in WRMP options appraisal or best value plan assessment and therefore it is not clear that this is the best option. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Some concerns.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 2 - Faversham Resilience Main	4.50	4.50	**Our draft decision:** Some concerns. Sub-zonal scheme not providing a benefit to zonal supply-demand balance. Company should provide sufficient and convincing evidence that none of the issues being highlighted should already have been addressed through historic allowances (both enhancement and base). To support the company in making its case for additional investment, if this is a supply demand balance enhancement issue, the water resource zone integrity should be reassessed and re-zoned and then the scheme assessed as part of the WRMP24 with full options appraisal. If not, it may be a scheme to address interruptions to supply risk, and given South East Water's poor performance against target (expected to be delivered through base) it would require further justification to be considered as a resilience enhancement scheme at PR24. **Representations on our draft decision:**		V

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			In their response, South East Water stated that the proposed main is primarily removing a single source of supply risk, and results in a new connection between the Canterbury and Dunkirk supply areas, increasing resilience to supply risk for the 2,134 customers fed from the Dunkirk service reservoir. It states that it has not submitted an enhancement funding request for this scheme at previous price reviews, and the local mains are judged to be in appropriate condition and are not impacting their underlying interruptions performance, and therefore not considered base expenditure related. It sets out that the risk is primarily due to climate related high demand, which would lead to supply interruptions, as demonstrated in 2022, and that the proposed scheme will ensure that the network is reliable and has headroom in the area supplying Faversham, reducing the likelihood and impact of any future incidents to our customers in this area and fundamentally reducing the criticality of the main. **Our final decision:** **Some concerns**. Base allowances are provided to achieve a base level of good service, including interruptions to supply (ITS), and therefore investment to achieve the ITS target should be covered by base allowances. Resilience enhancement excludes failure of assets that are managed through maintenance, including provision of new connections to address risks such as mains bursts. If the risk of failure of assets that are managed through maintenance is deemed to be increasing due to climate change, to the extent that the historical base costs do not reflect future need, then companies can submit cost adjustment claims where they can evidence that a step change in capital maintenance/renewals is required to maintain asset health. However, as this case has yet to be evidenced, the need is not considered to be clear and unambiguous. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 3 – Barcombe WTW	7.07	9.07	**Our draft decision:** Does not meet criteria. Existing DWI legal instrument for improvement is in-place (post PR19) and work has commenced in AMP7 that will continue into AMP8 at this major surface water treatment works. AMP7 costs are covered as part of PR19 settlement and not an acceleration in AMP7. Any proposals for possible enhancement expenditure may be part of DWI PR24 programme. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 4 – Tonbridge Flood Defence	0.65	0.65	**Our draft decision:** Some concerns. The scheme addresses flood resilience, as opposed to contributing directly to the supply-demand balance as defined by the WRMP which the Defra criteria on scope focussed on. We therefore assessed the scheme against the PR24 requirements for enhancement. While there is evidence of site flooding, the impact on customers is not defined (e.g. interruptions to supply), therefore the need for investment is not clear. In addition, there is no assessment of cost/benefit or best value assessment, so there are some concerns as to whether this is the best option. **Representations on our draft decision:** In their response, South East Water stated that the need is to bring the site up to the same level of protection as was recommended in the NFRR review (protect against a 1 in 1000 event). It also reiterates that within the last 5 years it had experienced a significant flooding event that had caused significant damage and complete loss of the site for an extended period. It states that the network is connected so they can bring in water from elsewhere over the short-term, but if a secondary risk materialises, such as a freeze/thaw or a heatwave event, then it will significantly increase the risk of customer		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			outages in the wider area. **Our final decision:** **Some concerns.** The scheme addresses flood resilience, as opposed to contributing directly to the supply-demand balance as defined by the WRMP which the Defra criteria on scope focussed on. We therefore assessed the scheme against the PR24 requirements for resilience enhancement. South East Water stated in its response that it has an alternative supply, and therefore has some level of resilience when the site floods. The company should quantify the risk to customers (e.g. interruptions to supply) taking into account the existing resilience measures, and assess the scheme against best value and cost benefit criteria, and include evidence that this is not covered by base expenditure given current ITS performance, and that investment to achieve the ITS target should be covered by base allowances. As this has not been provided, the need for investment over and above base expenditure allowances is not clear and unambiguous. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process		
Scheme 5 – Detling Resilience Main	4.40	4.40	**Our draft decision:** Some concerns. Sub-zonal scheme not providing a benefit to zonal supply-demand balance. Company should provide sufficient and convincing evidence of additionality e.g. that none of the issues being highlighted should already have been addressed through historic allowances (both enhancement and base). To support the company in making its case for additional investment, if this is a supply demand balance enhancement issue, the water resource zone integrity should be reassessed and re-zoned and then the scheme assessed as part of the WRMP24 with full options appraisal. If not, it may be a scheme to address interruptions to supply risk, and given South East Water's poor performance against target (expected to be delivered through base) it would require further justification to be considered as a resilience enhancement scheme at PR24. **Representations on our draft decision:** In its consultation response, South East Water stated that it had not requested enhancement funding for the scheme previously, and that as the scheme was not driven by asset condition it should not be considered as being funded by Base.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			It stated that the scheme would provide a robust route to move 11 Ml/d of water from the works, across North Maidstone and then down into Ashford, which will be in deficit before 2030, and that the scheme was included in the draft dWRMP. **Our final decision:** **Some concerns.**This is a sub-zonal scheme that does not provide a benefit to zonal supply-demand balance. If this scheme provides an enhancement to the supply-demand balance, then the company could split zones so that the scheme provides a WAFU benefit at that level. Alternatively, the company could identify whether the scheme addresses localised issues which are constraining zonal deployable output. In both cases the scheme should be assessed as part of the WRMP24 with full options appraisal, which has not been provided. As the company has not provided full options appraisal we have some concerns as to whether this is the best option. Therefore, our final decision is not to approve the scheme.		
Scheme 6 – Accelerated NO_3 plant designs	1.70	1.70	**Our draft decision:** Significant concerns. Delivery of three outline designs/feasibility for nitrate treatment with planning and land issues identified by end of AMP7 to allow construction to commence earlier in AMP8. Need for investment and best option is not clearly quantified or defined (blend or treatment). Query asked company to commit to detailed design and planning by 2024-25 but response is vague and non-committal. Unclear what the outputs from the investment will be. Any proposals for possible enhancement expenditure may be part of DWI PR24 programme. **Representations on our draft decision:** South East Water responded stating that the need was clearly proven, and that two (West Ham and Broughton) of the three schemes are more urgent. The company confirmed that the funding request was to develop preferred costed solutions that could go for planning and commence construction at the start of the AMP8. The company also suggested putting in place appropriate price control deliverables to protect customers should the best value solutions prove significantly less costly than the current estimates for full nitrate plant installations. **Our final decision:** **Significant concerns.** We continue to consider that South East Water is not suitably committing to our specific deliverable that detailed designs and any planning permission will be secured and complete in 2024-25 to enable effective AMP8 delivery. There remains a high level of uncertainty about what the scheme solutions are and what they will deliver within AMP7. All three schemes are part of the DWI PR24 programme where the proposals can be more rigorously assessed and		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			developed for submission as part of the price review process. South East Water can consider whether to accelerate elements of the AMP8 works through the transition expenditure programme to achieve statutory deadlines in the DWI notice. For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 7 - Sub-zonal (7 schemes) accelerated design	2.60	Excl.	**Our draft decision:** Significant concerns. Sub-zonal schemes not providing a benefit to zonal supply-demand balance. Company should provide sufficient and convincing evidence of additionality e.g. that none of the issues being highlighted should already have been addressed through historic allowances (both enhancement and base). To support the company in making its case for additional investment, if these are supply demand balance enhancement issues, the water resource zone integrity should be reassessed and re-zoned and then the schemes assessed as part of the WRMP24 with full options appraisal. If not, they may be schemes to address interruptions to supply risk, and given South East Water's poor performance against target (expected to be delivered through base) they would require further justification to be considered as a resilience enhancement scheme at PR24. The best option is not clearly defined, and further design work is required, and the proposal is to accelerate the design stage with delivery coming later. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** As we received no responses or additional information, for the reasons set out above, we retain our draft decision that we have significant concerns on the inclusion of the scheme in the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		W
Scheme 8 - Cattle troughs	1.50	1.50	**Our draft decision:** Does not meet criteria. Proposal for identification, repair or replacement of leaking cattle troughs. Insufficient evidence that this meets acceleration process scope. No quantified need for investment (ie supply risk to customers to be addressed) nor quantified benefit of the investment (eg leakage volume to be saved). Unclear if the scheme and activity will be undertaken on South East Water's supply network with potential issues around asset ownership and responsibility not explored. Metering of supplies would enable a quantification of the problem and likely benefits to be calculated.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Representations on our draft decision: South East Water responded that it considers the scheme meets the criteria (supporting reduction in demand through support to Non Household businesses in identifying and reducing leaks on their cattle troughs) and is similar to some of the funded schemes for household free leak repairs. It accepts that the standard of evidence was lacking, reflecting where it is in the process, and more quantification was required. **Our final decision:** **Does not meet criteria.** As there is no quantified need for investment nor a quantified benefit (even an estimate) for the scheme it is difficult to assess whether it would contribute to supply resilience by reducing demand. Therefore, for reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Our final decision is to not approve the scheme for the acceleration process.		
Scheme 9 - Early start on design and planning of Broadoak Reservoir	5.00	5.00	**Our draft decision:** Significant concerns. Early start planning Broadoak Reservoir. This scheme delivers after 2030 so is outside the timing criteria of the acceleration process. The scheme is designed to achieve planning application and an Environmental Impact Assessment (EIA) one year earlier than the latest dWRMP to de-risk delivery of the reservoir, and to bring flexibility to the 2033 delivery date. The ask is for an additional £2 million to support accelerated planning and EIA plus £3 million to support Direct Procurement for Customers (DPC) activities. The need for the scheme is confirmed in the dWRMP24 as 2036-37 instead of 2033 in WRMP19/PR19, meaning that the company has already delayed its delivery since receiving funding at PR19. South East Water reference the WRMP19 selection date and do not describe acceleration from dWRMP24 which raises questions about need since the date it is required has already slipped back between planning rounds. **Representations on our draft decision:** South East Water stated that this is the company's first direct procurement for customers scheme and bigger than anything the company has delivered recently. It is complex and has a long delivery time. If the scheme is to be delivered by 2033, work needs to start before 2025. A specific delivery team would be needed which would not interfere with AMP7 delivery. The company states it rejects the difference in delivery dates as a valid reason not to accelerate the scheme. The company points to its draft WRMP24, in which the delivery date for this scheme based on supply/demand balance calculations determined by the regional (WRSE) modelling work was 2036. The company put forward an alternative plan in its dWRMP24 that took account of more company specific considerations within decision making, such as commitments		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			to delivery in WRMP19, and resilience/environmental benefits that the earlier delivery of the scheme would create. The company also stated that this alternative plan, which saw earlier delivery of Broadoak Reservoir, was largely supported by stakeholders and customers during the recent draft WRMP consultation process and also by the Environment Agency and Ofwat within their representations. The company states that its revised WRMP will therefore show the requirement for this scheme to be 2033, and therefore the urgency for transitional spend remains, especially with the added complexity that will be introduced with it being a DPC scheme. **Our final decision:** **Significant concerns.** We recognise the potential complexity and lead-in time for a major scheme such as Broadoak reservoir. We funded the development of the scheme as part of PR19. The reported completion date of the scheme in PR19 was 2033. Consequently, the proposed accelerated delivery date (2033) is no sooner than the scheme was funded to deliver by at PR19. This raises questions regarding what benefit customers and the environment are getting for the additional funding. The company is also reportedly behind in its expenditure on supply demand balance over the 2020-22 period. The company should ensure that its proposed project delivery route is cost effective and delivers the assets when they are needed. The scheme also does not deliver benefits until after 2030, and so it does not meet the criteria for acceleration. For the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 10 – smart network	3.15	7.00	**Our draft decision:** Significant concerns. Proposed installation of service reservoir inlet/outlet meters and 1445 pressure sensors. Company states benefits to leakage (0.5Ml/d) and supply interruptions (3 minutes from underlying performance), although no benefits are due to be delivered until 2026-27. Scheme is not part of company's dWRMP24, there is limited evidence of optioneering to meet the multiple drivers, and the leakage unit cost is very high raising significant concerns about whether the scheme is best option. South East Water currently has very poor interruptions to supply performance and needs to be meeting this in period from base expenditure of which this scheme could form part. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme.		V

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Our final decision: **Significant concerns.** As we received no responses or additional information, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		
Scheme 11 – Alternative power supply	17.00	28.00	**Our draft decision:** Does not meet criteria. Battery storage and uninterruptible power supplies (UPS's) to prevent trips due to by grid outages for eight sites by 2025. Need for investment is not clear as there is no risk quantification and no options appraisal. There is also no evidence of discussions with power provider about who is best placed to address issues with power outages, which is required under the PR24 resilience enhancement methodology. Does not meet additionality as the scheme addresses high frequency issues, as opposed to extreme events causing major power outages, and therefore is aligned to base expenditure unless it can be evidenced that the risk is increasing. **Representations on our draft decision:** In their response, South East Water recognised that the case was not of sufficient quality to take forward, but provided feedback that it felt the increasing power outages were due to more frequent hot weather due to climate change and as a result should not be considered base expenditure. **Our final decision:** South East Water acknowledges that it has not provided sufficient evidence in support of their proposal, and for reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process. If South East Water believe that the risk is increasing then it can put forward a case for resilience enhancement as part of PR24.		

A1.14 Water: South Staffs Water (including Cambridge Water)

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 – HH New Meters	17.71	61.99	**Our draft decision:** Meets criteria. Installation of 82,000 smart meters in household properties to deliver 2.5 Ml/d in water savings by 2024-25 in an area identified as water stressed. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. The need for the scheme has been clearly identified. It will help company address the supply and demand balance deficit during the 2025-30 price control period and meet the per capita consumption target of 110 l/h/d by 2050. Company has set out clear outputs and deliverables. Company is behind on its PR19 metering programme but said that it has plan to deliver it by the end of the regulatory period. We are proposing to impose a price control deliverable that reflects these outputs, ie. 82,000 smart meters installed by 2024-25. To ensure that the scheme is additional to the company's existing PR19 commitments, we are proposing a condition on transition expenditure funding for this investment on the company delivering its PR19 metering programme by 31 March 2025. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March 2025. **Representations on our draft decision:** South Staffs Water stated that it does not recognise the PR19 forecast deliverable figures for unmeasured properties included in the proposed price control deliverable. It also disagreed with the inclusion of upgrades as PR19 deliverables since, according to the company, these were funded through base allowances and therefore transition funding should not be conditioned to the delivery of these upgrades. The company also requested the removal of the baseline meter figures included in the proposed price control deliverable. It argued that these figures duplicate the PR19 forecast deliverables already included in the table and so removing these figures would minimise confusion. The company also commented on the condition on the transition funding that the company has to deliver the meters funded at PR19 and asked if these can be delivered through a mix of optant and selective meters that is different to the one assumed in PR19 business plan.		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Our final decision: **Meets criteria**. For the reasons set out above, we retain our draft decision that the scheme meets the criteria for the acceleration process. The PR19 forecast deliverables included in our draft decision were based on South Staffs Water's response to our queries prior to our draft decision. We have now clarified this with the company and the company has restated its PR19 forecast deliverables. We have updated the price control deliverable to reflect these restated figures. For clarity we have moved the baseline figures included in the PR19 forecast deliverables table to a new table. We have made it clear (in the price control deliverable) that the baseline meter figures reflect the trend in the cumulative number of meters that we expect the company to achieve by 2024-25 through its PR19 allowances. We confirm that the condition on transition expenditure funding for this investment on the company delivering its PR19 metering programme by 31 March 2025 can be met by delivering a combination of optant and selective meters, rather than by optant meters alone.		
Scheme 2 – NHH New Meters	2.18	7.63	**Our draft decision:** Meets criteria. Installation of 9,400 smart meters in non-household properties to deliver 2.9 Ml/d in water savings by 2024-25 in an area identified as water stressed. This is an acceleration of a scheme that is a preferred best value option in the company's dWRMP24. The need for the scheme has been clearly identified. It will help company address the supply and demand balance deficit during the 2025-30 price control period and meet the per capita consumption target of 110 l/h/d by 2050. Company has set out clear outputs and deliverables. Company is behind on its PR19 metering programme but said that it has a plan to deliver it by the end of the regulatory period. We are proposing to impose a price control deliverable that reflects these outputs, ie. 9,400 smart meters installed by 2024-25. To ensure that the scheme is additional to the company's existing PR19 commitments, we are proposing a condition on transition expenditure funding for this investment on the company delivering its PR19 metering programme by 31 March 2025. To ensure that the scheme does not impact on existing performance commitments, the company should exclude the impact of the scheme on leakage and per capita consumption from performance reporting in relation to PR19 performance commitments covering the period from 1 April 2020 to 31 March 2025. **Representations on our draft decisions:** South Staffs Water made the same representations for this scheme as they did for the scheme HH New Meters (please see above).		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Our final decision: **Meets criteria.** For reasons set out above, we retain our draft decision that the scheme meets the criteria for the acceleration process. We have already set out our response to the comments made by South Staffs Water in our final decision for the scheme HH New Meters (please see above). We have updated the price control deliverable to reflect the figures restated by the company.		
Scheme 3 – Chalk-stream restoration	4.50	7.50	**Our draft decision:** Some concerns. Proposes a range of river restoration type activities to improve 12.8km of river. Company states this is needed due to dWRMP24 schemes not delivering in time meaning there is an increased risk to the environment. It is unclear if scheme aligns with accelerated process scope criteria (ie water resilience). There is limited discussion of alternatives including to accelerate dWRMP delivery and to mitigate environmental harm but insufficient evidence provided why this is the best option to address issues. However, the programme is likely to feature in PR24 WINEP. **Representations on our draft decision:** Blueprint for Water says that this "proposal recognises the role that river restoration could play in providing resilience to species and habitats whilst long-term solutions to reduce abstraction pressures are developed and delivered. Noting the point that in this case, dWRMP acceleration should instead be considered first". It also welcomes "the recognition that wherever supply or demand schemes cannot be accelerated, habitat enhancements could play a valuable role in bolstering ecosystem health until those abstraction pressures can be removed." **Our final decision:** **Some concerns**. For reasons set out above, we continue to have some concerns regarding the scheme delivering a measurable resilience benefit and why this is the best option to address the identified issues. Therefore, our final decision is to not approve the scheme for acceleration process.		E

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 4 – Borehole upgrades	9.80	9.80	**Out draft decisions:** Significant concerns. Four borehole upgrades proposed to achieve peak abstraction licence output (presented as up to 7.6 Ml/d additional output). Company states that this would reduce impact of supply reductions because of high demand or outage but provides no quantification. The scheme does not feature in the current dWRMP meaning no comparable alternative options are presented and appraised. Therefore, there is no quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. Potential for proposed work to be part of currently funded base maintenance activities to enable assets to be available and reliable as required. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns.** As we have received no responses or additional information, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		V
Scheme 5 – Reuse to Blithfield Res	18.00	18.00	**Draft decision:** Significant concerns. Proposed effluent reuse transfer to Blithfield reservoir providing a 26Ml/d dry year annual average deployable output benefit. There is no quantified need for investment (ie supply risk to customers to be addressed) nor evidence why this is the best option to address it. The company's dWRMP has a planning period surplus and therefore this option is not selected. Potential operational cost savings by utilising joint assets less which the company does not explore in detail. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Significant concerns**. As we received no responses or additional information, for the reasons set out above, we continue to have significant concerns and therefore our final decision is to not approve the scheme for the acceleration process.		V

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 6 - Grafham Transfer pipe of potable water	6.60	9.90	**Our draft decision:** Some concerns. This is an accelerated preferred dWRMP potable water transfer option. In its dWRMP, Cambridge Water considers it needs all its options as well as full demand management to address abstraction pressures. However, the company has developed limited options as part of its plan development, and we want to see consideration of a wider range of alternatives. Publication of Cambridge Water's dWRMP has been delayed and, at the time of writing, is still being assessed reducing our confidence in the need for investment and whether the proposal represents the best option. Grafham transfer is dependent on Anglian Water's Bury St Edmunds transfer which increases the package cost. There are some water quality / acceptability risks from mixing water chemistries that would need to be managed. The Environment Agency is also concerned about potential reliance on drought permits at the Anglian Water end of the transfer. Together, these present concerns relating to deliverability. Due to the concerns around whether this provides best value and potential delivery risks this requires further work to demonstrate it is the best option, and deliverable. **Representations on our draft decision:** Cambridge Water responded to say it was disappointed that the scheme was not approved and requested that we carry out a further review. The company sees this scheme as the quickest way to resolve the high-profile water resources challenges in Cambridge. The company stated it is working collaboratively with Anglian Water on the transfer. The company is also working with consultants on the water quality challenge highlighted by the DWI on bringing surface water into the Cambridge region. The company pointed out it has also been collaborating with the Environment Agency about the availability of water from Grafham Water. Water Resources East (WRE) responded in support of the proposals from both Anglian Water (scheme 1 – Grafham to Bury St Edmunds Transfer) and Cambridge Water (scheme 6 – Grafham Transfer pipe of potable water) citing the importance of these schemes in their regional plan, links to reducing abstraction pressures and meeting new housing demand. WRE asserts that due to its geography Cambridge Water has limited options available to it and that unit cost benchmarking is not suitable. **Our final decision:** **Some concerns**. While we understand the pressures facing water resources in the east of England, this scheme represents a substantial investment that could pre-empt decisions on interdependent schemes. We note that Anglian Water, which had proposed part of this option also through this process, has accepted our draft decision not to support		W

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			progression through this route. Our concerns relating to options sufficiency and decision making in the relevant water resource management plans are yet to be addressed. The company can explore options both within and outside its operating area including water reuse options and transfers with all nearby companies and is not restricted primarily to WRE companies as appears to be the case in current plans. The responses also do not resolve challenges relating to water quality and the scheme's reliance on a drought permit. Our concerns therefore remain around whether this provides best value and potential delivery risks. Further work is required to demonstrate it is the best option, and deliverable. For the reasons set out above, we continue to have some concerns and therefore our final decision is to not approve the scheme for the acceleration process.		

A2 Wastewater

A2.1 Wastewater: Anglian Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 2 - Grid decarbonisation	2.73	27.25	**Our draft decision:** Does not meet criteria. The scheme is for bioresources improvements and so does not fit the scope criteria for this accelerated programme or even broader transition funding (which does not cover bioresources or retail expenditure). The company accepts that optioneering and option appraisal has not been fully undertaken and does not provide clear deliverable outcomes (only the sites to be improved). Company states that the scheme would be self-financing in 2.5 to 3.5 years, therefore, our view would be that this is covered by base funding and additional customer funding is not required. **Representations on our draft decision:** The company states it will include more details of its net zero plans for AMP8 in its business plan submission. **Our final decision:** **Does not meet criteria.** For the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 4 – Nutrient Neutrality	9.04	10.31	**Draft decision:** Meets criteria. The scheme is to deliver nutrient removal at three of the sites identified as discharging into Special Areas of Conservation (SAC) rivers. The sites are Fakenham and Dereham on the River Wensum, and Whitlingham on the River Yare (Norwich). All three sites are in a nutrient neutrality designated area and the population equivalent for all three sites are above the 2000 threshold. By no later than 31st March 2025, Fakenham WwTW and Dereham should be commissioned and optimised to ensure the final effluent total phosphorus is compliant with the 0.25 mg/L-permit. By no later than 31st March 2027, Whitlingham should be commissioned and optimised to ensure the final effluent total phosphorus is compliant with the 0.25 mg/L-permit.		E

			The Environment Agency supported the acceleration of this scheme as it will deliver environmental benefit. The scheme meets requirements on need, timing, and scope. Anglian Water states that the three sites will be designed to reach a phosphorus standard with around a 75% improvement on current performance and has set out clear outputs and outcomes. Upon querying, the company also proposed to accelerate three Nitrogen schemes. However, the Environment Agency has confirmed that there is currently no environmental need for nitrogen removal at the wastewater treatment works. As such, we are proposing to only accelerate these phosphorus schemes. This scheme is proposed for acceleration contingent on relevant legislation being enacted and the nutrient neutrality designation being made. **Representations on our draft decision:** In reference to the non-approval of the Nitrogen removal schemes, Anglian Water acknowledges that the main improvement comes from the phosphorus schemes although they consider that Nitrogen schemes would further improve the situation relating to housing development schemes currently on hold in Norfolk. Anglian Water stated that they will consider the Nitrogen investments outside of the accelerated infrastructure delivery and within their wider WINEP programme to 2030. Anglian Water states that in their accelerated infrastructure delivery submission, they proposed number of schemes completed as the PCD and therefore support that component of the measure (i.e. number of schemes complete, with design stage gates). Anglian Water requests Ofwat to clarify the need for the inclusion of detailed design milestones in addition to third party assurance. Anglian Water believes that this seems to protect customers from programme slippage at a mid-point in the project and therefore Anglian Water believes that it is unnecessary to protect customers from non-delivery, and requests the removal of any additional steps. A request to clarify the requirements to report the Accelerated process schemes in APR table 7F. **Our final decision** **Meets criteria.** Nitrogen improvements are still under review and the EA will provide confirmation of final N Improvement requirements under the WINEP; therefore, we confirm that our decision is to only accelerate these Phosphorus schemes but not the Nitrogen improvements. We continue to consider that we need to monitor scheme delivery. We are therefore retaining the interim reporting deliverables during AMP7 as detailed in Appendix 2 (Price Control Deliverables) for the schemes at Fakenham WwTw, Derenham WwTw and Whitlingham WwTw. We will allow companies to re-submit their delivery schedule up until their business plan submissions to provide companies with flexibility to define their final programme timeframes. We confirm that the data reported in APR24 Table 7F should include data starting from the financial year 2023-2024.We retain our draft decision to approve the scheme for the acceleration process.		

Scheme 5 – Regional overflow reduction plan	9.99	26.84	**Our draft Decision:** Meets criteria. The scheme is to undertake 21 storm overflow improvements to Storm Overflow Discharge Reduction Plan Act target levels and accelerate of 143 investigations (under WINEP driver code INV2) to confirm the root cause of high overflow spills. The delivery profile has been provided for all accelerated schemes to be completed by April 2028, earlier than the 2030 WINEP target date. The profile indicates that no scheme will be completed within AMP7. Environmental need for these schemes has been confirmed by the Environment Agency, however there are a number of sites which are not high priority under Defra's storm overflow reduction plan which could be replaced with other high priority sites. Any of these schemes that are found not to be required can be replaced like for like with Environment Agency and Ofwat approval up to the submission date for the PR24 business plan. Anglian Water aims to reduce the spills at the 21 overflows down to Defra's sewer overflow reduction plan targets and specific spill reductions have been provided for each overflow in this proposal. The company has indicated that 188 of the total 459 spills to be reduced through the accelerated programme will be delivered by 'smart controls', i.e. controlling flow in the sewer to maximise the storage potential of the system. The outputs of which it plans to share with the wider industry. The remaining spills will be remediated through traditional solutions. Individual solutions per overflow have not yet been provided, but there is commitment to use blended catchment solutions alongside smart controls. The spill frequency reductions stated in the accelerated programme are above the required spill reductions expected from existing base and enhancement allowances in 2025-2030. Not all overflows have an event duration monitor (EDM) installed, so historic spill frequency is not fully understood across all 21 overflows. SOAF assessments have only been completed on three overflows. All other overflows have been identified as high spillers via hydraulic model assessment only. The company indicates that the discharges at these overflows are therefore not maintenance related. The modelled and EDM data varies significantly, and we have some outstanding concerns about root cause and the required solutions. Anglian Water has proposed a price control deliverable of "£'000 per modelled spill per year reduced", which will require analysis through hydraulic models to assess the specific impact of the digital element to the solution. Therefore the company must provide sufficient evidence that its models are of high confidence and are fit for use. We will require the company to confirm, via third party assurance, if interventions to reduce spills are required to restore compliance or if solutions are related to base-maintenance issues, so that only the relevant costs are funded through the enhancement programme. We will assess scheme costs as part of the PR24 business plan assessments. There is adequate information to propose this scheme for acceleration but with the inclusion of specific, time-bound conditions in the price control deliverable, including providing assurance on the modelling results. **Representations of our draft decision:** A request to update the PCD from total spill frequency based on actual EDM data to a modelled spill frequency, due to the timeframe in which actual spill data will be available and the need for averaging over a number of years due to annual change in rainfall affecting spill frequencies. A request to update the investment profile within the PCD to a profile they provided in the consultation response. A request to remove the list of storm overflows to be included in the acceleration programme, and allow the company to bring in any storm overflow currently being looked at in the AMP8 WINEP.		E

			Our final decision: **Meets criteria**. We retain our decision to accept the company's proposal, albeit with some amendments to the PCD. We have updated the PCD to include modelled spill frequency rather than actual spill frequency as suggested, which will allow assessment of the scheme solution prior to the collection of multiple years of EDM data. We have also updated the forecasted investment profile to the values provided by Anglian Water. The draft PCD included a specific list of 21 overflows to be included within the scheme. Following further communication with Anglian Water this has been removed from the PCD, and will be replaced by a list of overflows provided by Anglian Water at the time of the Strategic Business Plan submission in October 2023. Ofwat will require a specific list of locations where the enhancements will be undertaken by this time, and will not allow replacement schemes after this point. We continue to consider a defined list of storm overflows is important as it gives clarity to stakeholders as to where improvements will be made.		

A2.2 Wastewater: Northumbrian Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 6 – Low Wadsworth STW IC Wetland	3.45	3.45	**Our draft Decision:** Does not meet criteria. This scheme involves the construction of a 2.1 ha integrated constructed wetland (ICW) as a demonstration of a nature-based solution for tertiary treatment at Low Wadsworth sewage treatment works near Crook, County Durham. However, the site is not in a nutrient neutrality catchment and therefore is out of scope for this acceleration process. Although the scheme does have a WINEP Water Framework Directive Phosphorus driver, it is not trying to meet P-TAL limits Moreover, there are risks that the solution may not reach the required P-permit so there are concerns whether the proposed solution is the best option. The timeline provided seems ambitious for constructing and commissioning a wetland. We are content for this scheme to be a potential candidate for transition funding to start early under WINEP when additional information on other options considered is provided. **Representations on our draft decision**: We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria**. As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		E
Scheme 7 – Berwick upon Tweed Storm Overflows	1.85	51.00	**Our draft decision –** Meets criteria. The proposal is to deliver an initial 'Concept and Definition' phase to identify how to reduce environmental impact by reducing storm overflow spills in the Berwick catchment. The company has provided additional optioneering evidence and has revised its proposal from £2m to £1.85m for this accelerated element. The total estimated cost to fully address overflow spills in Berwick is estimated at £51m but the company has stated that this could increase to £64m with further clarity on the scope of works identified through this investigatory stage. The Environment Agency has confirmed the environmental need for Berwick storm overflows to reduce spills at up to 42 overflows, 17 of which discharge into bathing waters (average of <=2 spills per bathing season) and the remainder discharging into inland waterbodies, including SSSIs (average of <= 10 spills per year).		E

			The £1.85 million will fund model verification and feasibility work on proposed options and costs to determine how best to reduce overflow spills. However, the root cause of spills is not yet clear. Some additional modelling work has already looked at the contributing role of routine maintenance (sewer cleansing) in reducing spills and indicated that more cleansing will have a relatively small impact on spills. Part of the £1.85 million investment is to further explore maintenance interventions alongside a wider range of cost-beneficial options to reduce spills in the catchment. There is a concern that underperforming pumping stations could be due to maintenance issues which will also need to be confirmed by the company. Potential options include providing storage (grey or green), maximising use of existing sewer capacity (through flow optimisation and improved pumping), disconnecting surface water systems, separating surface water from large impermeable areas, and provide water butts to residents. These will be further explored through this proposal. We will require the company to confirm, via third party assurance, if any of the storm overflows in the catchment will require interventions to restore compliance or if proposed solutions identified through this feasibility stage are related to base-maintenance issues, so that only the relevant costs are funded through the enhancement programme. We will assess scheme costs as part of the PR24 business plan assessments. There is adequate information to propose this scheme for acceleration to enable Northumbrian Water to better understand the most effective ways of addressing storm overflow spills in Berwick ahead of AMP8, but we will include specific, time-bound conditions in the price control deliverable. **Representations on our draft decision:** Northumbrian Water responded to our draft decision to correct our misunderstanding on the number of in-scope storm overflows (we assumed up to 42 but the actual number is 31 overflows). The company also clarified that this proposal is an initial 'concept and definition' activity within AMP7, seeking to validate best value solutions based on model verification and root cause analysis, and that further detail on the approach and method will be provided with the business plan in October 2023 (rather than at the conclusion of the activity), both of which we agree with. It also commented that it assumed the third-party assurance was due with the final report, which is also our expectation. Finally, it suggested that a progress report could be provided alongside the APR submission in summer 2024 rather than including an additional reporting stage earlier in 2024. We agreed this was a pragmatic approach. **Our final decision:** **Meets criteria**. We retain our decision to accept the company's proposal for acceleration, albeit with some amendments to the PCD. We have amended the PCD for this proposal to reflect the actual number of in-scope overflows as being 31. We have also removed the need for an interim progress report in May 2024, instead using the existing summer 2024 annual performance report for the company to provide an update. Other requirements in the PCD remain as at draft decision stage, including the need for a 31 March 2025 final report with third-party assurance on compliance and base maintenance.		

A2.3 Wastewater: Severn Trent Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
5 – Packington Effluent Transfer	13.40	74.60	**Our draft decision:** Significant concerns. This scheme aims to combine two wastewater treatment works and treat flows through enhanced treatment (granular activated carbon, ozone, and membrane ultra-filtration) to meet tight standards & transfer effluent to a reservoir (8.5ML/d average flow & 22.2ML/d full flow). The River Mease is in a designated Phosphorus nutrient neutrality watercourse and the population equivalent is above the 2000 threshold. However, the Environment Agency is awaiting outcomes on flow balancing and quality investigations, and these need to be resolved before the solution is progressed. The Drinking Water Inspectorate (DWI) have not confirmed that this solution is acceptable at this stage. We require further evidence to prove that this is the best option. This scheme is potentially suitable for transition funding programme for PR24 if investigations are successfully concluded and evidence this option is best value are provided, the scheme is included in the final WINEP and both the Environment Agency and Drinking Water Inspectorate approve. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		E
7 - Barston N-TAL	9.80	19.50	**Our draft decision** Does not meet criteria. This scheme aims to investigate what level could be robustly achieved for Total Nitrogen as part of a Defra mandated trial and is proposed under the WINEP N-TAL_Inv driver to carry out trials to establish what Total Nitrogen limits can be met at different sizes of site (Severn Trent proposed this site but it is does not have another WINEP driver), to inform future Total Nitrogen Technically achievable limits (TAL). However, this is not in a nutrient neutrality designated catchment area and as such the need for the scheme is not clear and uncontroversial. The Environment Agency has confirmed N-TAL trials to be undertaken by other companies under the WINEP driver would need to be accelerated for this to be beneficial, so there is no benefit accelerating just the Severn Trent sites proposed under this process. The company can accelerate this scheme at PR24, at their own risk if the scheme is in their final WINEP.		E

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Representations on our draft decision: We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
8 - River Clun Catchment	8.40	41.90	**Our draft decision:** Significant concerns. The proposal is to up-rate three wastewater treatment works (WWTWs) to meet P-TAL and N-TAL. It is a confirmed nutrient neutrality (Special Area of Conservation) watercourse for Nitrogen & Phosphorus. The solution is a denitrifying oxidation ditch for each site. However, the three sites proposed are all below the 2000 population equivalent threshold as such the need for the schemes is not clear and uncontroversial. There are also significant concerns that solutions presented for the three sites may not be best value as no information is given on alternatives considered. Moreover, the Environment Agency is awaiting river flow investigation outcome as such the schemes should not progress until investigations complete. In summary, the proposal fails on several criteria for this acceleration process, however the company can accelerate this scheme at PR24 under transition funding, at their own risk if the scheme is included in their final WINEP. **Representations on our draft decision:** We received three independent responses from a local resident, the chair of Clun Climate and Environment Group and the chair of River Clun Monitoring Group. An additional response was received from Phillip Dunne, MP. A response from Blueprint for Water was received that was not specific to the River Clun Catchment but referenced the provisions relevant provisions in the Levelling-up and Regeneration Bill currently before Parliament that would not normally apply to WWTWs with a capacity of less than a population equivalent of 2000. All of these responses challenged the proposed decision. One stated that the EA's short term targets for phosphorus and nitrogen in the R. Clun had not been met, whilst one stated that development in the area was being restricted. Two of the responses highlighted that the River Clun is a Special Area of Conservation (SAC) watercourse and has a population of rare fresh water mussels. Although we recognise all of these factors, we cannot approve the projects for acceleration as the sites all fall below 2000 population equivalent and will currently not be included in the WINEP for PR24 under the Levelling up and regeneration bill requirements.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Our final decision: **Significant concerns.** We have reviewed our draft decision, but the proposal still does not meet the criteria for acceleration as part of this process. All three sites are below 2000 population equivalent and would therefore not normally be required to meet the P-TAL and N-TAL limits set out in the Levelling Up and Regeneration Bill even if the provisions were enacted and the catchment areas designated. As such the need for this scheme is not clear and uncontroversial and it therefore does not meet the criteria for acceleration. We therefore continue to have significant concerns that the criteria are not met and therefore our final decision is to not approve the scheme for the acceleration process. However, Severn Trent Water still has the option to progress in 2023-24 and 2024-25 any actions in the Clun catchment that are confirmed in the PR24 WINEP using the transition expenditure programme.		
9 - River water monitoring	24.50	24.80	**Our draft decision:** Meets criteria. Installation of 80 no. flow to full treatment monitors at wastewater treatment works to ensure that the company is able to monitor compliance with permit conditions and avoid non-permitted storm overflow spills. These monitors are a statutory requirement under WINEP for installation by December 2026. The scope of work is to install a meter to the necessary standard hence limited optioneering is necessary. A price control deliverable is proposed with under and out-performance incentives. **Representations on our draft decision:** Severn Trent Water asked to reduce the number of meter installation to a minimum of sixty-nine. It stated that this was due to a prioritisation exercise it had agreed with the EA. The company also proposed an amendment to the wording of the PCD to clarify that the installations would be made by 31st March 2025, but that reporting would be in-line with the regulation obligation date set out in WINEP. Blueprint for Water suggested that all companies accelerate investment in this area, so they have "a clearer understanding of the operation of their Storm Overflows." CCW supports the company in gathering more data on its assets and expects it to be transparent about what the flow monitoring reveals and the implications this may have for future investment. **Our final decision:** **Meets criteria.** We will retain our draft decisions to approve the scheme for the acceleration process. We accept the proposal from Severn Trent Water to accelerate a minimum of 69 meter installations, and to adjust the wording of the		E

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			PCD. We have not adjusted the total expected costs of the programme in our documentation as we will determine the cost allowance as a part of the PR24 process. We agree with Blueprint for Water that the company should take this as a minimum and expedite the installation of monitoring at all the relevant wastewater treatment works with flow to full treatment requirements. Notwithstanding the installation of these meters, the company is expected to have sufficient processes in place to assure compliance. We would expect the data from these meters to be used to assure compliance as soon as it is available. Other companies can bring forward plans to similarly accelerate compliance monitoring as a part of the PR24 transitional expenditure programme. We agree with CCW that the company should be transparent about what the flow monitoring reveals. The company should make all investments necessary to resolve any issues related to any non-compliance with its existing flow to full treatment permit requirements identified through base maintenance allowances.		
10 - Blymhill N-TAL	2.70	6.80	**Our draft decision:** Does not meet criteria. The criteria for scope have not been met as currently the site is not located in a nutrient neutrality designated catchment. However, Severn Trent have recently been advised by Natural England that it is likely to be designated soon. But, Blymhill is serving a population equivalent > 250 but <2000, as such does not meet the population equivalent threshold and therefore is out of scope. In addition to this, the Environment Agency confirmed all N-TAL trials would need to be accelerated to be beneficial so, there is no benefit on promoting just the SVE sites. **Representations of our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** Meets criteria. We retain our draft decision that the scheme does not meet the criteria for the acceleration process for the reasons set out above. Therefore, our final decision is to not approve the scheme for the acceleration process.		E

A2.4 Wastewater: South West Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 1 – DWMP Delivery Acceleration– Storm Overflows	23.00	70.05	**Our draft decision:** Meets criteria. The company's proposal consists of 14 schemes in total in Falmouth and Sidmouth to improve storm overflows. For the Falmouth system, six overflows are required to address the shellfish statutory WINEP driver (EnvAct_IMP2) and two are associated with the bathing water statutory driver (EnvAct_IMP3). For the Sidmouth system, three overflows are associated with bathing waters and three require spill frequency reductions (driver (EnvAct_IMP4.). All storm overflows are named and current discharge rates given. The environmental need has been accepted by the Environment Agency and schemes are within the PR24 WINEP. The spill frequency reduction of 330 across the 15 overflows are above the required spill reductions expected from existing base and enhancement allowances in 2025-2030. South West Water has set out its solution development approach, which it states will be further refined for the final drainage and wastewater management plan and has identified a number of sites where surface water separation is a viable option and where opportunities exist for partnership working with the local authority responsible for highways drainage. We will require the company to confirm, via third party assurance, if interventions to reduce spills are required to restore compliance or if solutions are related to base-maintenance issues, so that only the relevant costs are funded through the enhancement programme. We will assess scheme costs as part of the PR24 business plan assessments. There is adequate information to propose this scheme for acceleration but with the inclusion of specific, time-bound conditions in the price control deliverable. **Representations on our draft decision:** South West Water responded to the consultation with a query clarifying that the scheme was to include 15 storm overflows, not the 14 that was stated in the draft. The company also queried the approach to third party assurance, in that South West Water commissions independent third-party assurance for their Annual Performance Reports and other regulatory submissions. The company states that this third-party assurance of outputs for the Accelerated Delivery can be shared with Ofwat.		

			Our final decision: **Meets criteria.** We retain our decision to accept the company's proposal. The documentation has been updated to include 15 storm overflows within the accelerated scheme. There will be no change to the Ofwat third party assurance requirement, as we continue to consider that the independent third-party assurer should have a duty of care to Ofwat and not just to the company. This will help the consideration that customer and environmental needs are met when assessing delivery.		
Scheme 3 - DWMP Delivery Acceleration– Nutrient Neutrality	12.01	28.06	**Our draft decision:** Meets criteria**.** Out of the 22 sites, the company has focussed the early start activity at the seven sites within the catchment which will deliver the most phosphorus load reduction. However, only five out of the seven sites are greater than 2000 PE. As such, given the catchment outlined in the submission falls under a nutrient neutrality designated area, we are proposing to accelerate those five sites. The five sites will be commissioned and optimised no later than 31st March 2025 and all the sites will be compliant with the permit at the technically achievable limit of 0.25mg/L Total Phosphorus. More price control deliverables have been set out in appendix 2. We are confident that reasonable optioneering process has been outlined alongside benefits which includes a reduction of 82% P load reduction in the Camel and 84% in the Axe catchment. In summary, the proposal meets the criteria for need, scope and timing. This scheme is proposed for acceleration contingent on relevant legislation being enacted and the nutrient neutrality designation being made. **Representations on our draft decision:** South West Water has responded to consultation with the following comments: A request to review the criteria for sites below 2000 pe under this acceleration process that may have secondary drivers under WINEP (such as P-removal) A request to review consistency and expectations for assurance requirements for nutrient neutrality scheme 3 that are in addition to the specific requirements relating to the section 96F(2) that the provisions in the Levelling-up and Regeneration Bill would insert into the Water Industry Act 1991. South West Water agrees to submit the relevant assurance reports to Ofwat (including reviews by an independent third party assurer). A further response from Blueprint for Water was received, this was not specific to the South West Water schemes but referenced the general provisions in the Levelling-up and Regeneration Billthat would normally not include sites below 2000 population equivalent (pe). **Our final decision:** **Meets criteria.** We retain our draft decision to approve five out of seven sites in the scheme for the acceleration process. We retain our policy requirements for nutrient neutrality, so only sites above 2000 pe will be able to proceed under the acceleration process. Secondary drivers do not qualify a scheme to proceed under the accelerated process in relation to nutrient neutrality. Where appropriate, companies can include sites below 2000pe within their PR24 WINEP if required to		E

			meet other drivers. These schemes can be accelerated through the transitional expenditure programme if they are statutory, included in the final WINEP and companies address any concerns that we have raised. We confirm that the assurance procedure requirements for Nutrient Neutrality set out in our draft decision remain valid and are as previously stated. We continue to consider that we need to monitor scheme delivery. We are therefore retaining the interim reporting deliverables during AMP7 as detailed in Appendix 2 (price Control Deliverables) for the schemes at Axminster Kilmington WwTw, Tatworth WwTw, Bodmin Nanstallon WwTw, Camelford WwTw and Scarlett's Well WwTw. We will allow companies to re-submit their delivery schedule up until their business plan submissions to provide companies with flexibility to define their final programme timeframes.		

A2.5 Wastewater: Southern Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 4 – Storm Overflows	35.00	35.00	**Our draft decision** Meets Criteria: The proposal is to progress the company's Pathfinder pilot programme at scale across up to 36 storm overflows in three geographical areas to *'maximise learning to ensure effective and efficient delivery in AMP8*'. It will involve exploring innovative approaches at scale to manage spills. Southern Water proposes to spend between £25 million and £50 million capex to improve understanding and /or reduce storm overflow spills in AMP7 by between 300 and 600 per year (compared to 2020-21 average spills) The company has accepted that this proposal will only be funded through the transition expenditure programme and does not require in-period funding. These schemes will help identify the most effective and efficient solutions for the remainder of AMP8 overflow schemes (and beyond), and all overflows are included within the AMP8 WINEP programme (under drivers such as bathing water, shellfish, SSSIs and other designated waters). However, due to the innovative nature of the work, Southern Water does not guarantee that spill reductions will necessarily meet statutory requirements and thus follow-on works may be needed. A breakdown of the 36 overflows suggests that 8 overflows require intervention because of groundwater, while the rest are impacted by surface water. The company has confirmed that only 2 of the 36 overflows have SOAF assessments. However, the company says that it has targeted these sites to reduce spills *and* improve learning for AMP8. The company has identified indicative solutions and will deliver between 40 and 90 hectares of managed non-permeable area, 4 to 8 wetlands, and between 5 to 26kmof sewer sealing. We propose setting a price control deliverable (PCD) for the company's estimated £50 million option to deliver a reduction in overflow spills of 600 across 36 overflows. We will require the company to provide regular updates to demonstrate that it has progressed interventions at all 36 sites and where the spill reductions will be achieved. We will require the company to confirm, via third party assurance, if interventions to reduce spills are required to restore compliance or if solutions are related to base-maintenance issues, so that only the relevant costs are funded through the enhancement programme. We will assess scheme costs as part of the PR24 business plan assessments. There is adequate information to propose this scheme for acceleration but with the inclusion of specific, time-bound conditions in the PCD.		E

			Representations on our draft decision: Southern water responded to our draft decision requesting a revision to the PCD to reflect its original proposal of an initial targeted 300 spill reductions per year for £25 million with the flexibility to increase this by £85,000 per additional spill beyond that up to a maximum cost of £50m. However, in discussion with the company, we explained our ongoing concern about the lack of a clear commitment beyond the initial £25 million and that we would need a clearly defined programme. Southern Water provided a revised proposal that seeks to deliver at least 420 spill reductions per year for £35 million at a minimum of 30 storm overflows. **Our final decision**: **Meets criteria**. We retain our decision to accept the company's proposal, albeit with some amendments to the PCD. We have revised Southern Water's PCD to include for the delivery of at least 420 spill reductions per year (compared to 2020-21 average spills) for £35 million across a minimum of 30 overflows in the geographical areas originally proposed, retaining our acceptance of its proposed innovative approaches, range of solutions and delivery caveats as in the draft decision above. The final PCD contains revised outputs which now see a commitment to deliver between 50 to 80 hectares of managed non-permeable area, 4 wetlands, and between 5km to 7km of sewer sealing. Other requirements in the PCD remain as at draft decision stage.		

A2.6 Wastewater: Thames Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 9 - West London Flood Resilience	20.00	20.00	**Our draft decision:** Does not meet criteria. High return period flooding scheme installing 300 flip pumps. No direct impact on storm overflows and so out of scope. Need not quantified and no assessment of best option. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria**. As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 10 – Community focused surface water flood management	10.00	10.00	**Our draft decision:** Does not meet criteria**.** Creation of an integrated platform for collating of surface water management systems. Enabler for better partnership working. No direct impact on storm overflows and so out of scope. Benefit not quantified and no measurable output provided (e.g., improvement against PCs). **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria**. As we received no responses or additional evidence, for the reasons set out above, We retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		

Scheme 11 – Intelligent Wastewater System Management	2.00	2.00	**Our draft decision:** Does not meet criteria. Install 200 depth monitors in key locations to improve data. Monitors to be linked to system models and penstocks to transition to smart network at a later date. Does not meet additionality criteria, as potential overlap with base and no clear outcomes in terms of storm overflows (e.g. spill reduction) so not considered to meet the main driver, additional concerns include no other options considered so not clear that it is the best option, and the benefits are not quantified. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria**. As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.	

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 12 - Safe space for Water	1.00	1.00	**Our draft decision:** Does not meet criteria**.** Pilot schemes using parks and roads to store exceedance flows (floodwater). Only applicable to high return period storms. The scheme would not impact on storm overflows so out of scope. In addition, the risk being addressed is not quantified and there is no assessment of best option. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 13 - What can you do to reduce flood risk?' campaign	1.00	1.00	**Our draft decision:** Does not meet criteria. Pilot of customer driven resolution of misconnections into the waste network (e.g. extensions with roof connected to foul). Impact on storm overflows not quantified so there are significant concerns that it is out of scope. There is no commitment to any firm outputs and no assessment of best option. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		

Scheme 14 – Adapting Event Duration Monitors to measure flow.	2.00	2.00	**Our draft decision:** Does not meet criteria. Improved monitoring at 80 sites to measure flow through upgrading existing EDM systems, complementing the transition to a Smart waste network and providing additional data and insight to short and long term decision making. Does not directly reduce storm overflow spills so out of scope. No assessment of best option and benefit not quantified. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.	

A2.7 Wastewater: United Utilities

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
ENV1 – Reducing P in Manchester Ship Canal	36.20	96.90	**Our Draft Decision:** Does not meet criteria. The proposal is to install a Phosphorus (struvite) recovery plant on the sludge treatment liquors. However, the site is not in a designated nutrient neutrality catchment area and as such is out of scope for this acceleration process. This is first part of strategy to get Davyhulme WWTW to 0.25 mg /L Total phosphorus but the need for this scheme is not clear as struvite recovery alone will not have a significant impact on final effluent phosphorus. Davyhulme WWTW discharges to the Manchester Ship Canal. Moreover, timescales appear ambitious as this is only part of solution to meet a low P permit, and struvite recovery is challenging to commission. We would require much more information on other options and the whole strategy would be required, even if there was a link to nutrient neutrality. The Environment Agency also rejected this scheme at there is not a clear link to nutrient neutrality. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria**. As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		E
ENV2- Accelerating habitats improvements in the Eden catchment	18.50	117.70	**Our draft decision:** Meets criteria. United Utilities completed a WINEP AMP7 (2020-2025) investigation which confirmed the need for investment to enhance Phosphorus removal. This scheme refers to improvements to the eight largest wastewater treatment works in the Eden designated nutrient neutrality area. to meet the technically achievable limit of 0.25mg/l Total phosphorus. In the original proposal, the company submitted 8 sites for acceleration, however only 6 of these sites are above the 2000 population equivalent threshold. As such, we are proposing to accelerate the 6 sites that meet the threshold. All six sites will be compliant with a permit at the proposed technical achievable limit of 0.25mg/L for Total		E

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			phosphorus before March 2029. For all sites, the company will provide us details of the tender and procurement process assured by a third party before March 2025. See more details on deliverables in appendix 2. Reasonable optioneering has been summarised and a delivery programme outlined. In summary, this scheme meets the need, scope, and timing criteria. The company has also proposed price control deliverables in the case of non-delivery for customer protection. As such, we are proposing this scheme for the six eligible sites only for acceleration. This scheme is proposed for acceleration contingent on relevant legislation being enacted and the nutrient neutrality designation being made. **Representations of our draft decision:** United Utilities has responded to consultation with the following comments: A request to review the conditions on the schemes and suggestions for potential options to deal with the uncertainty regarding the enactment of the relevant provisions. A request to update the total cost to reflect the latest information that was provided to Ofwat. United Utilities suggests that the differences in cost are material. A further response from Blueprint for Water was received, this was not specific to the United Utility projects but referenced the relevant provisions in the Levelling-up and Regeneration Bill currently before Parliament that would not normally include sites below 2000 population equivalent. **Our final decision:** **Meets criteria.** We can confirm that the proposed conditions on nutrient neutrality schemes set in our draft decision are still valid and remain as previously stated. These nutrient neutrality schemes are specifically intended to deliver the investment required for wastewater treatment works (WWTWs) to meet the nutrient pollution standards (sometimes referred to as the Technically Achievable Limits) for phosphorus and/or nitrogen set out in the Levelling-up and Regeneration Bill currently before Parliament. The conditions are therefore that the provisions in the Bill are enacted and that the catchment areas to which those WWTWs discharge are designated for this purpose. Companies may decide to start delivery of these schemes before designation and manage their own risk if they consider it will have a positive		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			impact on the delivery of their overall PR24 programme. We will allow companies to re-submit their delivery schedule up until their business plan submissions. Should any changes in the delivery timescales occur, we expect companies to provide the relevant details of programme considerations and/or restrictions that led to the alteration of prior stated delivery timeframes. We have updated the cost with the most recent cost information for this scheme (£117.70m). We will assess appropriate expenditure allowances for the scheme as part of the PR24 process. We retain our policy requirements for nutrient neutrality, so only sites above 2000 pe will be able to proceed under the acceleration process. Where appropriate, companies can include sites below 2000pe within their PR24 WINEP if required to meet the relevant drivers. These schemes can be accelerated through the transitional expenditure programme if they are statutory, included in the final WINEP and companies address any concerns that we have raised.		
ENV3 – Accelerating storm overflow improvements to reduce discharges	137.50	1,171.60	**Our draft decision:** Meets criteria. The scheme is for improvements to 135 storm overflows to reduce storm overflow spills to Environment Act target levels, it meets the accelerated process criteria, however a Price Control Deliverable (PCD) will be required to address ongoing concerns about storm overflow compliance. The environmental need to deliver these schemes has been confirmed by the Environment Agency. A full list of overflows to be addressed has been provided, which includes driver type and costs. Individual solutions have not been specified in detail, however the company has provided indicative sizes of storage and separation required for each solution. Best value has been assessed using a value assessment tool which aligns with the WINEP methodology and includes consideration of wider environmental outcomes. The spills will be reduced to meet Defra's storm overflow reduction plan targets which equate to a reduction of over 7000 spills per year. The spill frequency reductions stated in the accelerated programme are above the required spill reductions expected from existing base and enhancement allowances in 2025-2030. Approximately half of the overflows have had a SOAF stage 1 completed, confirming that the high spill frequency is not related to maintenance. In addition, all other overflows have gone through a hydraulic screening assessment using hydraulic models to confirm that the high spill frequency has a hydraulic root cause. Storm overflow solutions that are found to be not required following further investigation and design work can be swapped with alternative sites with Environment Agency and Ofwat approval up until the submission of the PR24 business plan. Any alternative site must demonstrate to have greater environmental and customer benefit than the scheme it replaced. Due to lack of supporting evidence that the storm overflows meet their current permitted pass forward flow, we will require the company to confirm, via third party assurance, if interventions to reduce spills are required to restore		E

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			compliance so that only the relevant costs are funded through the enhancement programme. We will assess scheme costs as part of the PR24 business plan assessments. There is adequate information to propose this scheme for acceleration but with the inclusion of specific, time-bound conditions in the price control deliverable. **Representations on our draft decision:** United Utilities responded to the consultation with the following suggestions for scheme ENV3: A request to use modelled spill frequencies instead of actual spills in the PCD. This is due to the annual variation in spill frequency through rainfall which will mean it will take a number of years to get an average actual spill frequency for comparison. A request that instead of being able to only swap in and out sites up until the submission of the October 2023 Strategic Business Plans, that they can continue to swap sites in and out through AMP8 in order to achieve better outcomes. Clarification of the scope and costs for each scheme, including an increase in cost following the submission of WINEP. Blueprint for water responded with a recommendation to include a formal requirement to assess and present findings on the opportunities for nature-based solutions. **Our final decision:** **Meets criteria.** We retain our decision to accept the company's proposal, albeit with some amendments to the PCD. Following the consultation costs have been updated to reflect the latest information. We will assess appropriate expenditure allowances for the scheme as part of the PR24 process. The PCD has been amended to use modelled spill reduction as opposed to actual value spill reductions used in the draft documentation. This will allow scheme effectiveness to be reviewed faster and more consistently, as actual data will be subject to annual rainfall variation. We retain the decision that specific overflows may be changed for the scheme ENV3 up until the business plan submission deadline in October 2023. From that point it is expected that the list of acceleration process storm overflow schemes does not change. We continue to consider a defined list of storm overflows is important as it gives clarity to stakeholders where improvements will be made. In regard to the formalisation of the requirement for nature based solutions Ofwat are satisfied with the United Utilities approach to optioneering, including the prioritisation of nature-based solutions where feasible, as set out in the Options		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Identification and Appraisal technical appendix from their DWMP. We expect United Utilities to follow their proposed methodology, which will ensure assessment of nature-based solutions as part of the accelerated process.		
ENV4 - Reducing the frequency of storm overflow discharges in Lake Windermere catchment	9.30	41.2	**Our draft decision:** Meets criteria**.** The scheme is to accelerate 4 storm overflow improvements in the Windermere catchment to meet Defra's storm overflow reduction plan targets. it meets the accelerated process criteria, however a Price Control Deliverable (PCD) will be required to address ongoing concerns about storm overflow compliance. The delivery profile indicates the schemes will be operational by April 2026. The environmental need to deliver these schemes has been confirmed by the Environment Agency. A full list of overflows to be included has been provided, which includes driver type and costs. Individual solutions have not been specified in detail, however the company has provided indicative sizes of storage and separation required for each solution. Best value has been assessed using a value assessment tool which aligns with the WINEP methodology and includes consideration of wider environmental outcomes. The spills will be reduced to meet Defra's storm overflow reduction plan targets which equate to a reduction of approximately 150 spills per year. The spill frequency reductions stated in the accelerated programme are above the required spill reductions expected from existing base and enhancement allowances in 2025-2030. Two of the storm overflows have had a stage 1 SOAF assessment, which has confirmed that the root cause of the high spill frequency is not maintenance related. The other two storm overflows have gone through a hydraulic screening assessment using hydraulic models to confirm that the high spill frequency has a hydraulic root cause. Due to lack of supporting evidence that the storm overflows meet their current permitted pass forward flow, we will require the company to confirm, via third party assurance, if interventions to reduce spills are required to restore compliance so that only the relevant costs are funded through the enhancement programme. We will assess scheme costs as part of the PR24 business plan assessments. There is adequate information to propose this scheme for acceleration but with the inclusion of specific, time-bound conditions in the price control deliverable. **Representations on our draft decision:** United Utilities responded to the consultation with the following suggestions for scheme ENV4.		E

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			A request to use modelled spill frequencies instead of actual spills in the PCD. This is due to the annual variation in spill frequency through rainfall which will mean it will take a number of years to get an average actual spill frequency for comparison. A request that instead of being able to only swap in and out sites up until the submission of the October 2023 Strategic Business Plans, that they can continue to swap sites in and out through AMP8 in order to achieve better outcomes. Clarification of the scope and costs for each scheme, including an increase in cost following the submission of WINEP and a reforecast delivery profile, with the completion date now stated as April 2028. Blueprint for water responded with a recommendation to include a formal requirement to assess and present findings on the opportunities for nature-based solutions. **Our final decision** **Meets criteria.** We retain our decision to accept the company's proposal, albeit with some amendments to the PCD. Following the consultation costs have been updated to reflect the latest information. We will assess appropriate expenditure allowances for the scheme as part of the PR24 process. The PCD has been amended to use modelled spill reduction as opposed to actual value spill reductions used in the draft documentation. This will allow scheme effectiveness to be reviewed faster and more consistently, as actual data will be subject to annual rainfall variation. The delivery profile has been reforecast to a April 2028 completion date. We retain the decision that specific overflows may not be changed for the scheme ENV4 and that the overflows stated in the PCD are the overflows delivered as part of the accelerated scheme. We continue to consider a defined list of storm overflows is important as it gives clarity to stakeholders as to where improvements will be made In regard to the formalisation of the requirement for nature based solutions Ofwat are satisfied with the United Utilities approach to optioneering, including the prioritisation of nature-based solutions where feasible, as set out in the Options Identification and Appraisal technical appendix from their DWMP. We expect United Utilities to follow their proposed methodology, which will ensure assessment of nature-based solutions as part of the accelerated process.		
ENV5 - Rainwater for climate change	22.00	78.00	**Our draft decision** Does not meet criteria**.** Proposal is for works around strategic enterprise zones with business and communities to accelerate investment to look holistically and sustainably at water management to deliver improvements to flood risk resilience and spill frequency reduction at storm overflows. Whilst we support companies considering water management		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			in catchment areas holistically United Utilities has not set out clearly the storm overflows to be improved, the environmental need and expected outcomes, nor outputs. The Environment Agency do not consider that there is a clear environmental need. As a result, the scheme does not meet the criteria. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
ENV8 – Coastal Erosion	2.50	15.00	**Our draft decision:** Does not meet criteria. Scheme to protect a pumping station from falling into the sea due to coastal erosion. It does not meet scope as it does not contribute to storm overflow spill reduction. The company could address potential issues through the existing PR19 totex allowance, or consider making a case for PR24 resilience enhancement if the risk is increasing and the wider resilience enhancement requirements can be met. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
ENV10 – Reducing the frequency of storm overflow	30.00	181.60	**Our draft decision:** Meets criteria. The company's proposal is to accelerate 15 storm overflow schemes impacting bathing waters that are already at poor status or at risk of deteriorating to poor status. The scheme meets the accelerated process criteria,		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
discharges into bathing waters			however a Price Control Deliverable (PCD) will be required to address ongoing concerns about storm overflow compliance. The delivery profile indicated that the schemes will be operational by April 2027. The environmental need to deliver these schemes has been confirmed by the Environment Agency. A full list of overflows to be included has been provided, which includes driver type and costs. Individual solutions have not been specified in detail, however the company has provided indicative sizes of storage and separation required for each solution. Best value has been assessed using a value assessment tool which aligns with the WINEP methodology and includes consideration of wider environmental outcomes. The spills will be reduced to meet Defra's storm overflow reduction plan targets which equate to a reduction of approximately 1000 spills per year. The spill frequency reductions stated in the accelerated programme are above the required spill reductions expected from existing base and enhancement allowances in 2025-2030. Six of the storm overflows have had a stage 1 SOAF assessment, which has confirmed that the root cause of the high spill frequency is not maintenance related. The other nine storm overflows have gone through a hydraulic screening assessment using hydraulic models to confirm that the high spill frequency has a hydraulic root cause. Due to lack of supporting evidence that the storm overflows meet their current permitted pass forward flow, we will require the company to confirm, via third party assurance, if interventions to reduce spills are required to restore compliance so that only the relevant costs are funded through the enhancement programme. We will assess scheme costs as part of the PR24 business plan assessments. There is adequate information to propose this scheme for acceleration but with the inclusion of specific, time-bound conditions in the price control deliverable. **Representations on our draft decision:** United Utilities responded to the consultation with the following suggestions for scheme ENV10: A request to use modelled spill frequencies instead of actual spills in the PCD. This is due to the annual variation in spill frequency through rainfall which will mean it will take a number of years to get an average actual spill frequency for comparison. A request that instead of being able to only swap in and out sites up until the submission of the October 2023 Strategic Business Plans, that they can continue to swap sites in and out through AMP8 in order to achieve better outcomes. Clarification of the scope and costs for each scheme, including an increase in cost following the submission of WINEP and a reforecast delivery profile, with the completion date now stated as April 2028.		

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
			Blueprint for water responded with a recommendation to include a formal requirement to assess and present findings on the opportunities for nature-based solutions. **Our final decision:** **Meets criteria.** We retain our decision to accept the company's proposal, albeit with some amendments to the PCD. Following the consultation costs have been updated to reflect the latest information. The PCD has been amended to use modelled spill reduction as opposed to actual value spill reductions used in the draft documentation. This will allow scheme effectiveness to be reviewed faster and more consistently, as actual data will be subject to annual rainfall variation. The delivery profile has been reforecast to an April 2028 completion date. We retain the decision that specific overflows may not be changed for the scheme ENV10 and that the overflows stated in the PCD are the overflows delivered as part of the accelerated scheme. We continue to consider a defined list of storm overflows is important as it gives clarity to stakeholders as to where improvements will be made In regard to the formalisation of the requirement for nature based solutions Ofwat are satisfied with the United Utilities approach to optioneering, including the prioritisation of nature-based solutions where feasible, as set out in the Options Identification and Appraisal technical appendix from their DWMP. We expect United Utilities to follow their proposed methodology, which will ensure assessment of nature-based solutions as part of the accelerated process.		

A2.8 Wastewater: Wessex Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
Scheme 9 – Separation of combined drains	1.29	12.00	**Our draft decision:** Does not meet criteria. The rationale of the scheme is to investigate the link between separating surface water, water consumption and storm overflow discharges. These three aspects are predictably related, what is less certain is the customer acceptability aspects, however the proposal does not address in detail how this aspect will be researched. The proposal consists of investment in IT infrastructure to enable smart metering and costs to separate surface water at 3,000 properties by installing water butts and soakaways. The company has confirmed that it plans to complete this scheme in Cirencester. However, the company has not provided information on the storm overflows to be improved and the potential environmental impact. The Environment Agency has not accepted that there is a clear environmental need for the investment. There is little justification for the scope of works. For example, the company states that it needs to complete works at 3,000 properties to gain a measurable impact although there is no supporting evidence for this number. The behavioural change elements of the project have not been clearly set out. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		

A2.9 Wastewater: Yorkshire Water

Scheme	Costs 2022-25(£m)	Total costs (£m)	Assessment	Overall	WRMP/WINEP
YKY-06 Inland Bathing Water Improvement Scheme - Wharfe Ilkley	53.24	77.15	**Our draft decision:** **Meets criteria.** Scheme to gain compliance at an Inland bathing water with improvements to storm overflows in the network, at sewage pumping stations and wastewater treatment works. Environmental need is confirmed, and works are associated with WINEP drivers. Justification provided for the assets to be remediated, and evidence provided of compliance with flow requirements at Ilkley wastewater treatment works. Some details of the optioneering process have been outlined which the company states has followed Environment Agency guidance and has considered 'green' (nature-based) solutions. In response to a query, Yorkshire Water confirmed that the increase in treatment capacity at Ilkley is due to increased pass forward flow at up-stream CSOs. The company confirmed that the detailed design of the scheme has not been fully completed. It has provided sufficient information on outcomes (achieving bathing water classification) and outputs (requirements for storage and additional tertiary treatment). The company has confirmed that the scope of works being funded does not include that delivered to date relating to disinfection of the wastewater treatment work's effluent and storage at Rivervale CSO. Information submitted is considered sufficient to propose acceleration but with price control deliverable conditions relating to assurance that funding is not being sought for maintenance and regaining compliance for the network CSOs. **Representations on our draft decision:** Yorkshire Water proposes that the improvement in storm overflow spills is not based on the actual 2021 spill frequency number from its own event duration monitors. It considers that this is not a statistically representative year. Yorkshire Water propose to base the improvement on the annual average value predicted by its own hydraulic models. Yorkshire Water highlighted that our documentation did not reflect the fact that it had increased the expected costs of this scheme by £14.4m in its submission made in January 2023 from that made in October 2022. Yorkshire Water stated that it actions alone are insufficient to achieve the bathing water status at Ilkley. They state that actions are also required from other parties such as the agricultural sector. The company proposes changes to the PCD so that it is based on spill reduction targets and treatment improvements rather than achieving bathing water standards. The company states that it has not reached full agreement with the EA on the level of treatment needed. It highlights that the PCD is designed to adjust the scheme allowance based on the scope of work delivered.		

			Yorkshire Water proposes to publish a statement from its assurance provider, confirming that appropriate third-party assurance has been carried out. The representation from the Ilkely Clean River group ask for assurance that there will be flexibility from DEFRA in reviewing the bathing water status timetable for Ilkley to give the proposed infrastructure time to provide the improvements in water quality. The group further sought assurance that 'customers would not pay twice' for these improvements. The response from CCW supports the early delivery of the bathing water quality improvement schemes to safeguard public health, and to meet new statutory requirements. However, CCW consider that there is a lack of evidence to show customer support for the specific schemes and their cost/bill implications, and that this should be communicated to customers. **Our final decision:** **Meets criteria.** We retain our draft decision to approve this scheme for the acceleration process. We plan to continue to base any adjustment to our storm overflow performance commitment due to this scheme on the 2021 spill frequency set out in the EA published data set. Yorkshire Water have not presented any evidence that its modelled prediction, with its inherent assumptions and limitations, is sufficiently more representative for us to change from our approach which is simple, transparent and can be applied equally to all companies. We have only accepted the use of modelled data where there is no actual spill frequency data available. We will up-date our documentation to reflect the costs the company submitted in January 2023. However, the cost allowance is to be determined as a part of the PR24 process, as previously stated. We accept that achieving bathing water status on the river Wharfe at Ilkely will requires actions from multiple parties. We expect Yorkshire Water to work with all parties to achieve this aim. We have amended the wording of the PCD to reflect this. We expect that the assurance process, committed to by the company, to assess whether the improvements in the wastewater treatment process make a sufficient contribution to the required improvement in river water quality. We have incentivised the timely delivery of the scheme through our Price Control Deliverable (PCD), although the timetable for the review of the bathing water status is a matter for DEFRA. The PCD also details that the allowance is conditional on the company evidencing to our satisfaction that all funding is for enhancing the functioning of the asset beyond the level set out in its environmental permit, or beyond that could be achieved through maintenance. The purpose of this is to protect customers from paying twice. These works are in addition to those the company is already delivering through existing allowances, such as the temporary UV disinfection units at Grassington, Draughton and Beamsley wastewater treatment works. These investments will be a statutory requirement to support meeting the bathing water standards at Ilkely, pending final agreement from the EA. We have allowed for works to ensure the standard is met at the assumed designated sampling point, and at any secondary sampling point downstream. The work downstream of the designed sample point is non-statutory, but protects the area within which people swim. We, alongside CCW, expect Yorkshire Water to communicate the costs and benefits of these investments to its customers within its strategic business plan submitted in the PR24 process.		

YKY-07 Inland Bathing Water Improvement Scheme - Wharfe Wetherby	41.70	58.82	**Our draft decision:** Does not meet criteria. Inland bathing water improvement scheme. DEFRA announced in March 2023 that the application for the river Wharfe at Wetherby to be designated as a bathing water was not successful. Therefore, although the scheme is related to storm overflows it does not meet the criteria as there is no environmental need arising from a statutory driver. As a result, the scheme does not have the support of the EA. Limited details on the appraisal of solution options were provided beyond proposing conventional engineering solutions. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme **Our final decision** **Does not meet criteria.** As we received no responses or additional evidence, for the reasons set out above, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process.		
Scheme 8- WFD_No Deterioration Improvement schemes	24.86	41.18	**Our draft decision:** Does not meet criteria. The proposal is to maintain river water quality at nine of sites to support regional economic growth. The criterion on scope is not met as the proposed sites are not located in a nutrient neutrality designated catchment. Yorkshire Water confirmed that its proposal does not fall under nutrient neutrality but instead under WFD_ND (no deterioration). Moreover, a number of the nine sites being considered have a population equivalent under 2000 and some under 250 . However, if this scheme is included in the final WINEP, the company can potentially proceed with this at their own risk, through the transition funding programme at PR24. **Representations on our draft decision:** We received no responses or any additional evidence in relation to our draft decision on this scheme. **Our final decision:** **Does not meet criteria.** As we received no responses or additional evidence, we retain our draft decision that the scheme does not meet the criteria for the acceleration process. Therefore, our final decision is to not approve the scheme for the acceleration process		E
YKY-09 Coastal Bathing Water Improvements	3.78	3.86	**Our draft decision** Meets criteria. Company confirmed that plans to progress the originally submitted scheme are not currently finalised due to a connection to a wider strategic plan involving Scarborough WWTW. As a result, the company has submitted a revised scheme that reduces the scope to works at a single CSO (Wheatcroft CSO) in support of maintaining bathing water classification. Works at Wheatcroft CSO are install a screen and attenuation storage to achieve the requirement for coastal bathing water of an average of two spills per bathing water season. The asset discharged 54 times (using 12/24 count methodology) based on the EDM data set published by the EA in 2022.Information submitted is considered sufficient to propose acceleration of the revised scheme with price control deliverable conditions relating to assurance		

			that funding is not being sought for maintenance and regaining compliance. **Representations on our draft decision:** The representation from Yorkshire Water proposes that the improvement in storm overflow spills is not based on the actual 2021 spill frequency number from its own event duration monitors. It considers that this is not a statistically representative year. Yorkshire Water propose to base the improvement on the annual average value predicted by its own hydraulic models. Yorkshire Water proposes to publish a statement from its assurance provider, confirming that appropriate third-party assurance has been carried out. The response from CCW supports the early delivery of the bathing water quality improvement schemes to safeguard public health, and to meet new statutory requirements. However, CCW consider that there is a lack of evidence to show customer support for the specific schemes and their cost/bill implications, and that this should be communicated to customers. **Our final decision:** **Meets criteria.** We retain our draft decision to approve this scheme for the acceleration process. We plan to continue to base any adjustment to our Storm overflow performance commitment due to this scheme on the 2021 spill frequency set out in the EA published data set. Yorkshire Water have not presented any evidence that the modelled prediction, with its inherent assumptions and limitations, is sufficiently more representative for us to change from our approach which is simple, transparent and can be applied equally to all companies. We have only accepted the use of modelled data where there is no actual spill frequency data available.his investment is required to meet the in targets DEFRA's storm overflow reduction plan and we expect it to be included in WINEP. We expect Yorkshire Water to communicate the costs and benefits of these investments to its customers within its strategic business plan submitted in the PR24 process.		

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

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