

Regulators' Alliance for Progressing  
Infrastructure Development

May 2023



# Forward programme 2023-24



## About this document

This document sets out the 2023-24 delivery priorities for the Regulators' Alliance for Progressing (water supply) Infrastructure Development (RAPID). It covers the period 1 April 2023 to 31 March 2024. The RAPID forward programme fits within [Ofwat's 2023-24 forward programme](#) and contains more detail about how we will deliver the RAPID milestones in that programme. The 2023-24 programme builds on RAPID's progress against its [2022-23 forward programme](#). This will be set out in RAPID's annual progress report.

RAPID was set up in 2019. It is a partnership made up of the three water regulators in England – Ofwat, the Environment Agency (EA) and the Drinking Water Inspectorate (DWI). We work with stakeholders, taking opportunities to improve regulation and remove barriers, helping the sector respond to long term water resources challenges whilst promoting the best interests of water users, society and the environment.

The RAPID programme is intended to benefit England and Wales. In 2020, Natural Resources Wales (NRW) joined the RAPID advisory group enabling us to work more closely going forward. NRW has a decision-making role for any solution involving Wales, Welsh policy and legislation.

## Contents

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

**3**

**2. Forward programme 2023-24 – what RAPID will do this year**

**7**

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

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

The [National Framework for Water Resources](#) produced by the Environment Agency sets out the long-term water needs for England, including public water supplies. Meeting this need will require significant investment in infrastructure to increase supplies coupled with ambitious action to manage water demand. Managing demand will include helping people and industry to use water efficiently and reducing losses from water company and customer pipes. Water companies' Water Resource Management Plans and the five regional water resource plans lay out the need for future water and also the potential options to meet that need. Some of these are included in the RAPID programme. Investing to increase supply will include new options to produce, store and move water to where it is needed. The options developed also need to aid nature recovery, delivering environmental net gain and using the power of nature where appropriate.

RAPID has been set up to facilitate cross-regulatory collaboration on the development of strategic water supply infrastructure projects and to address issues relating to their development with a view to establishing an enduring regulatory framework for such projects. The RAPID programme decides whether solutions should continue to receive development funding. RAPID is overseen by a Board chaired by the Ofwat Chief Executive, with members from the senior leadership teams of each of the partner regulators (Ofwat, EA and DWI).

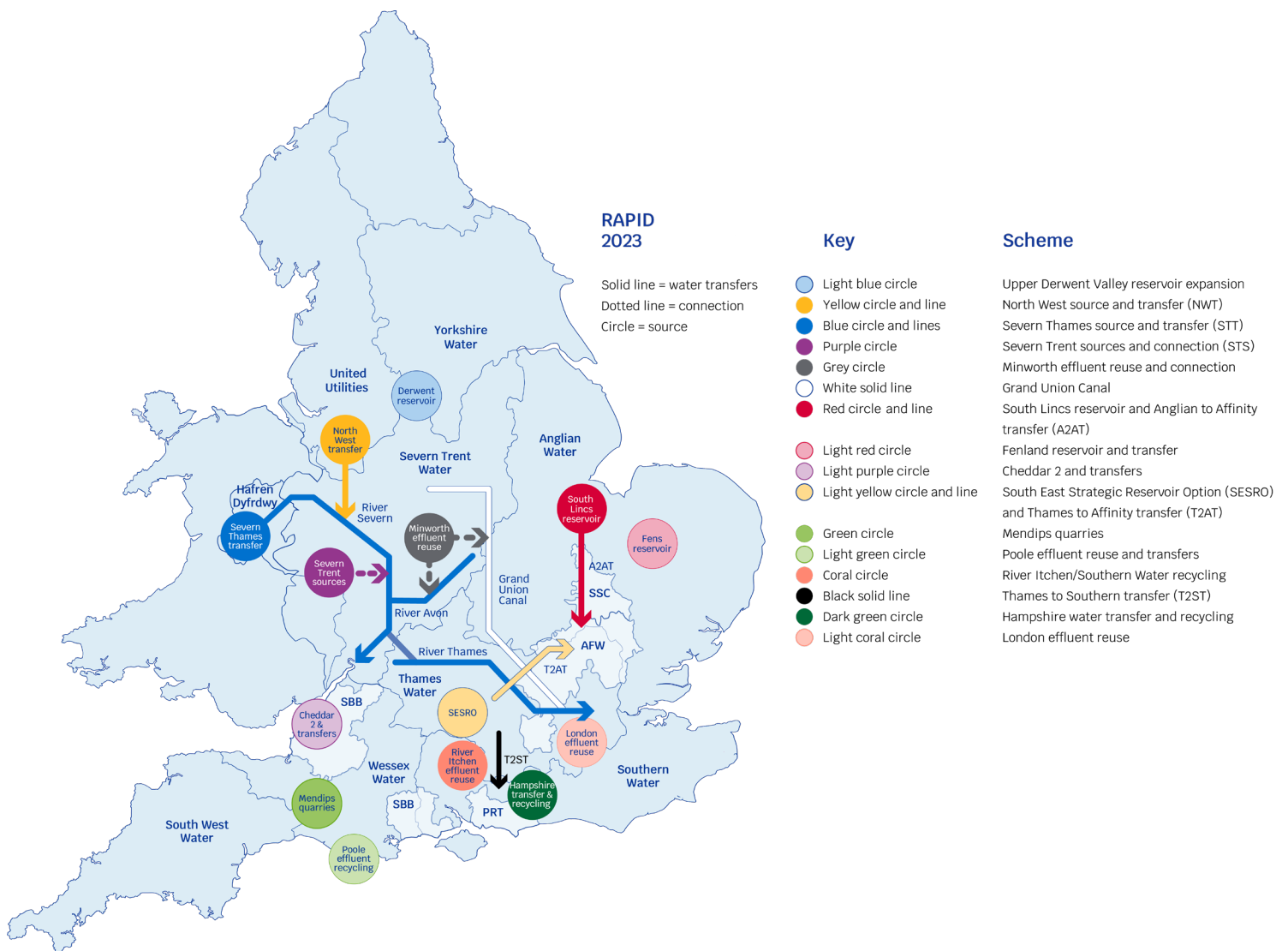
RAPID has three roles, which inter-relate.

## 1.1 Delivery of the gated process

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

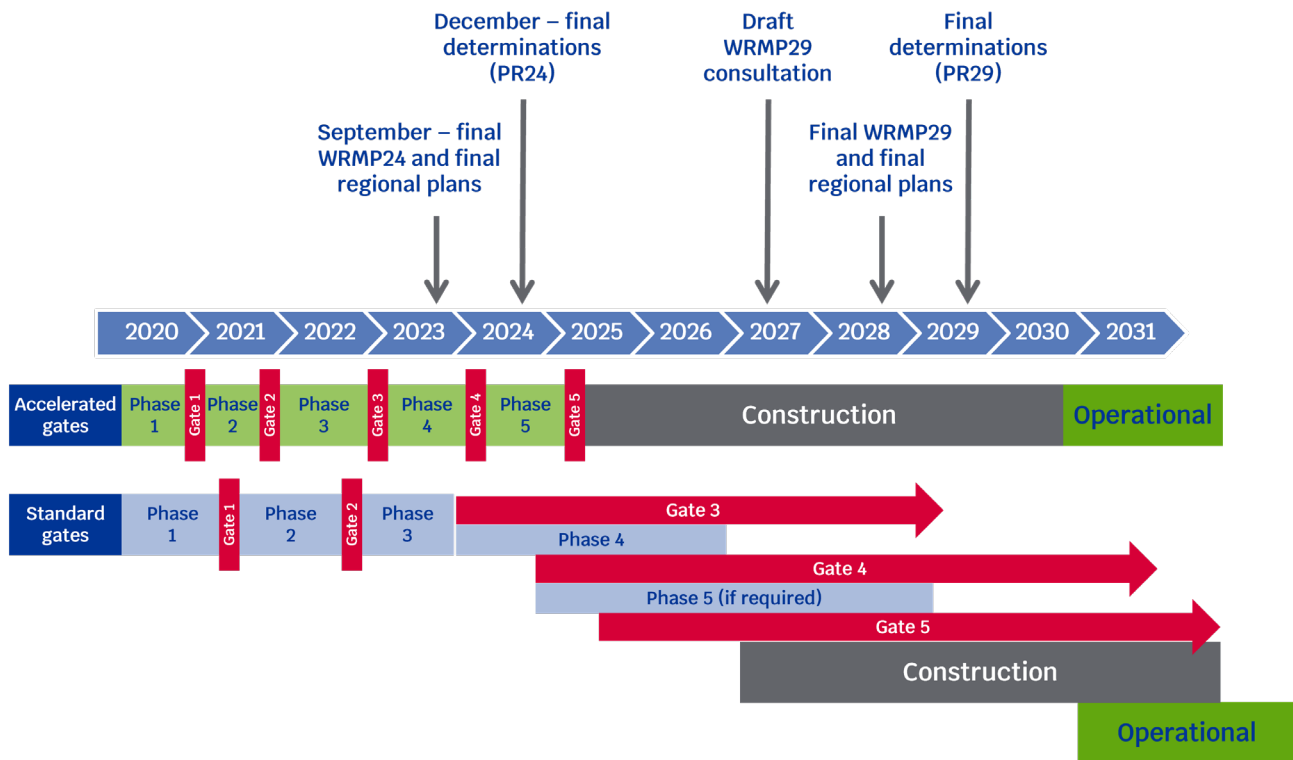
There are currently 18 solutions in the RAPID programme – of the 17 outlined in [PR19 final determinations: strategic regional water resource solutions appendix](#), four have merged into two and one (Fawley desalination) has left the programme. Four new solutions have joined the programme: direct transfer from Havant Thicket reservoir which joined at accelerated gate one; Fens reservoir and transfer which joined at standard gate one; and Mendips quarries and Upper Derwent Valley reservoir extension which joined in 2022. We encourage further options to come forward, including those involving third parties, and where appropriate to join during the programme. If the solutions in the programme progress to construction, the sector will be investing up to c £14 billion in new infrastructure.

**Figure 1: The proposed water resource solutions**



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

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



## 1.2. Implementing the National Framework

The second of RAPID’s roles is to act as an enabler to the effective implementation of the Water Resources National Framework in England.

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

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

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

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

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

We expect a number of solutions to be construction ready early in the next price control period 2025-30. In light of this we have thought carefully about how we prioritise the regulatory and commercial work needed to support the water resource planning and price setting cycles. This includes considering whether the current cyclical approach to regulation remains appropriate for delivery of long-term customer and environmental outcomes or whether a longer-term approach would offer greater benefits.

## 2. Forward programme 2023-24 – what RAPID will do this year

RAPID is planning an ambitious programme, which will be matched by a number of important milestones in the water resource management planning agenda, including the regional groups publishing final regional plans for the first time.

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

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

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

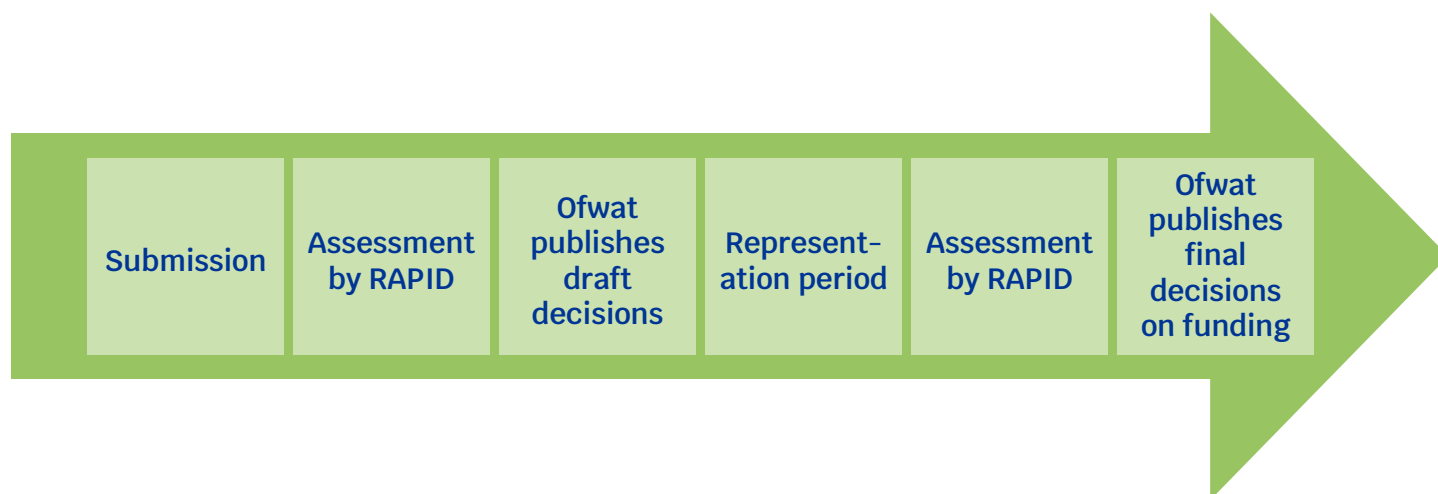
### 2.1 Developing a positive culture and driving performance

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

### 2.2 Providing effective oversight of the strategic solutions

As illustrated in figure 2, the timing and activities for gate three onwards will diverge depending on whether solutions are in preferred or alternative pathways and when within the 2025-30 period they need to be ‘construction ready’. During 2023-24 we will assess gate three submissions for some solutions, including London reuse and Hampshire Water Transfer and Water Recycling. We will also review the delivery of company remediation measures from gate two for some solutions.

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

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

## 2.3 Engaging people and organisations

To be effective, we need to listen to and talk with a broad range of people and organisations. We will continue to engage with national stakeholders to develop relationships, seek views and understand their perspectives, including Welsh stakeholders.

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

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

## 2.4 Achieving effective long-term water resources resilience

The Environment Agency is now working to develop the second Water Resources National Framework for England. To support this work, a new Environment Agency team will be picking up the responsibility for co-ordinating the collaborative work of the five regional water resources groups and supporting the independent chair of the Senior Steering Group during 2023-24. The Environment Agency will also lead on identifying, tracking and mitigating risks associated with the development of regional plans. RAPID will continue to support coordination across government and regulators in England and Wales and support the Environment Agency as the National Framework develops.



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

RAPID will learn from the water resources planning process and other sectors, and explore how water resources could be managed differently in the future to deliver better outcomes for customers, the environment and society as a whole.

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

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

Building on previous years' work, we are well placed to work through the issues and provide advice to our partner regulators and governments ahead of the key milestones, such as the price review in 2024 and the final regional plans and final Water Resource Management Plans publications in the autumn.


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

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

1. [The National System Simulation Modelling \(NSSM\) Project, Phase 2 Report](#), July 2022 and [University of Manchester England and Wales supply demand modelling report for RAPID](#), July 2021

**Table 1: Summary of delivery plan 2023–24**

Theme	Deliverables Quarter 1	Deliverables Quarter 2	Deliverables Quarter 3	Deliverables Quarter 4
<b>Developing a positive culture and driving performance</b>	Develop RAPID-specific learning and development	Focus on staff well-being and development, including through refreshing our Team charter	Surveying staff using both the people survey and previous team surveys to monitor trends and address issues	Put in place the transition plan for our new operating model for RAPID to support beyond 2025
<b>Providing effective oversight of strategic solutions</b>	Complete and publish the gate two final decisions for the standard track solutions	Develop and publish gate four guidance and incentives	Gate two assessment for Upper Derwent Valley Reservoir Extension and Mendips Quarries	Publish learning from gate two. Build learning into approaches for future gate assessments
<b>Engaging people and organisations</b>	Continue to work with PINS and others to align requirements between regimes	Refine, widen and further develop cross-regulator working	Work with governments and regulators to influence relevant policy	Survey stakeholders, report performance and set out plans for the year ahead
<b>Achieving effective long-term water resources resilience</b>	Hand over the co-ordination of the Regional Coordination Group, Senior Steering Group, tracking and mitigating risks and encouraging the groups to innovate to the new Environment Agency team developing the next national framework	Publish phase three report from national scale water system simulation modelling	Review the lessons from regional planning to feed into development of the National Framework and future regulatory frameworks in England and Wales	Develop policy to feed into the development of the National Framework
<b>Exploring regulatory and commercial opportunities, addressing gaps and barriers</b>	Continue working with investors to increase awareness of the RAPID solutions and the opportunities they provide for the investor community	Continue the work on commercial models to seek to find ways to promote and achieve multi-sector involvement with solutions	Consult on an updated approach to bulk supply agreements	Publish updated guidance on criteria for selecting Specified Infrastructure Projects



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