

July 2023

# Standard gate two final decision for Poole Effluent Recycling and Transfer

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# 1. Introduction

The purpose of this publication is to set out our draft decision about whether the Poole Effluent Recycling and Transfers<sup>1</sup> solution should continue to receive development funding<sup>2</sup>. The solution owners Wessex Water and South West Water submitted their standard gate two reports on 14 November 2022 for assessment. Further information concerning the background and context of the Wessex Water and South West Water Poole Effluent Recycling and Transfers can be found in the Poole Effluent Recycling and Transfers publication document on the Wessex Water and South West Water website<sup>3</sup>.

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

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

The solution owners and other interested parties had the opportunity to respond to the draft decision during the representation period, which followed the publication of the decisions on 30 March 2023. We have taken all relevant representations into account in making our final decision.

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

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<sup>1</sup> Referred to in PR19 final determination as “West Country South Southern Water Transfer”

<sup>2</sup> [PR19 final determinations: Strategic regional water resource solutions appendix](#)

<sup>3</sup> [Regional Water Resource/ Wessex Water](#)

## 2. Solution Summary

### 2.1 Solution summary

The scheme will divert final effluent from Wessex Water's Poole waste water treatment works (wWTW) to the River Stour via a new pipeline, water recycling plant and wetland. The diverted final effluent will be treated at a new water recycling plant and discharged into a new wetland before entering the River Stour. The additional water discharged to the River Stour will flow down for approximately 15 kms to where it will then be re-abstracted at Longham Lakes alongside an existing intake. From Longham Lakes it will integrate with Bournemouth Water's existing supply system. It will supply an annual average deployable output of 12.5 megalitres per day (Ml/d) and a peak summer demand deployable output of 25Ml/d.

**Figure 1. Poole Effluent Recycling and Transfers Solution Schematic**



## 3. Summary of representations

### 3.1 Representations received

We have received the following representations relevant to the Poole Effluent Recycling and Transfer.

**Table 1. Summary of representations**

Representation from	Summary of representation
<p><b>West Country Water Resource Group/ Wessex Water/ South West Water</b></p>	<p><b>Name change</b></p> <ul style="list-style-type: none"> <li>Request that Poole Effluent Recycling and Transfer now be renamed to Poole Water Recycling and Transfer Strategic Resource Option (SRO)</li> </ul> <p><b>Gate timing</b></p> <ul style="list-style-type: none"> <li>Due to current delays with draft Water Resources Management Plan (dWRMP) processes, they would like to review gate three timing, currently scheduled for January 2025, at the Cheddar 2 Source and Transfer SRO Conditional Review Point, set for 29 January 2024. By January 2024 they envisage having completed the statement of response for both companies' WRMPs and will have a much clearer position on the future programme. Their preference would be to have both Cheddar and Poole SRO projects with the same gate three submission date.</li> </ul> <p><b>Gate allowance</b></p> <ul style="list-style-type: none"> <li>They note the adjustments that RAPID have made to their request for additional funding for gate three and confirm their acceptance of the gate three financial proposal.</li> <li>They submitted revised gate two spend.</li> </ul> <p><b>Priority actions, actions and recommendations</b></p> <ul style="list-style-type: none"> <li>The Priority Actions and Recommendations are noted and will be addressed by the required dates.</li> </ul>
<p><b>Historic England</b></p>	<p><b>Historic Environment</b></p> <ul style="list-style-type: none"> <li>More information needed on pipeline routing and impacts.</li> <li>Heritage Impact Assessment is needed to inform SRO selection and design.</li> <li>Support gate two submission recommendations for full Historic Desk-Based Assessment, geophysical surveys at areas of archaeological potential along the pipeline route, evaluation trenching and geophysical survey in the period to gate three. The proposed wetland area should also be considered as this is identified as having potential for unknown archaeology.</li> </ul>

## **3.2 Our response**

We have taken the representations into account in our final decisions and set out below our response to the key points and issues raised. For the representations or parts of representations which indicate support, provide information or give an update without raising key points and issues, we do not provide a response below but are grateful for the comments provided and confirm that we have also taken these into account.

### **3.2.1 Name change**

We accept Wessex Water's and South West Water's proposal regarding the solution name. We are changing the solution name to Poole Water Recycling and Transfer from gate two onwards.

### **3.2.2 Gate timing**

The gate three submission date will be January 2025. This is to align gate three solutions on a similar programme. However, we will discuss the possibility of changing that date at the Cheddar 2 Source and Transfer SRO Conditional Review Point set for 29 January 2024. This is also reflected in section 8.1.

### **3.2.3 Gate allowance**

We have updated the text in section 4.3 to reflect the change in final gate two expenditure derived from the final gate two accounts.

### **3.2.4 Historic environment**

During further progress through the gated process, solution owners will continue to develop their environmental assessments, including consideration of the historic environment. A Development Consent Order (DCO) application or an application for local planning permission for the solution will need to be supported by an Environmental Impact Assessment in which the effects of the solution on the historic environment will be assessed and proposals for mitigating any adverse effects will be included. The acceptability of the effects and mitigation will be a matter for the authorities determining those applications and will not be a decision reached by the gated process.

We agree that progress of this solution would benefit from engagement with Historic England and an action was included in the draft decision and is included in the final decision to engage with Historic England.

## **3.3 Other changes to our draft decisions**

### **3.3.1 Area that we have changed not as a result of a representation**

We have considered the representations made across the solutions on the gate three allowance and have considered further the interests of customers over the lifecycle of the solution's development and delivery. As a consequence, we have decided to increase funding for gate three. We will consider gate four expenditure either as part of the gate three decision or the 2024 price review (PR24), as appropriate.

We are removing the cost sharing arrangements for gate three which were in our draft decision and are instead capping the allowance at a higher level.

We have adjusted Table 4 of the final decision to reflect these changes and have added some explanatory text to section 4.2.



## 4. Solution assessment summary

Table 2. Final decision summary

Recommendation item	Poole Effluent Recycling and Transfers
Solution owners	Wessex Water and South West Water
Should further funding be allowed for the solution to progress to gate three?	Yes, refer to section 4.2
Is there evidence all expenditure is efficient and should be allowed?	Yes, refer to section 4.3
Delivery incentive penalty?	No
Is there any change to partner arrangements?	No
Are there priority actions for urgent completion?	Yes, refer to section 5.1
Are priority actions and actions from previous gates addressed?	No, refer to section 5.2
Suitable timing for gate three has been proposed	Yes, January 2025.

### 4.1 Solution progression to standard gate three

The evidence suggests that the solution is a potentially valuable way of supplying water to customers. Based on our assessment of a wide range of areas that could concern the progression of the solution, we have concluded that the solution should progress through the gated process to gate three. Figure 2 below summarises the area of any progression concerns, including indication of the significance. The reasons for this assessment conclusion are set out in table 3 below.

Decisions on funding as a result of this progression decision, are set out in section 4.2.

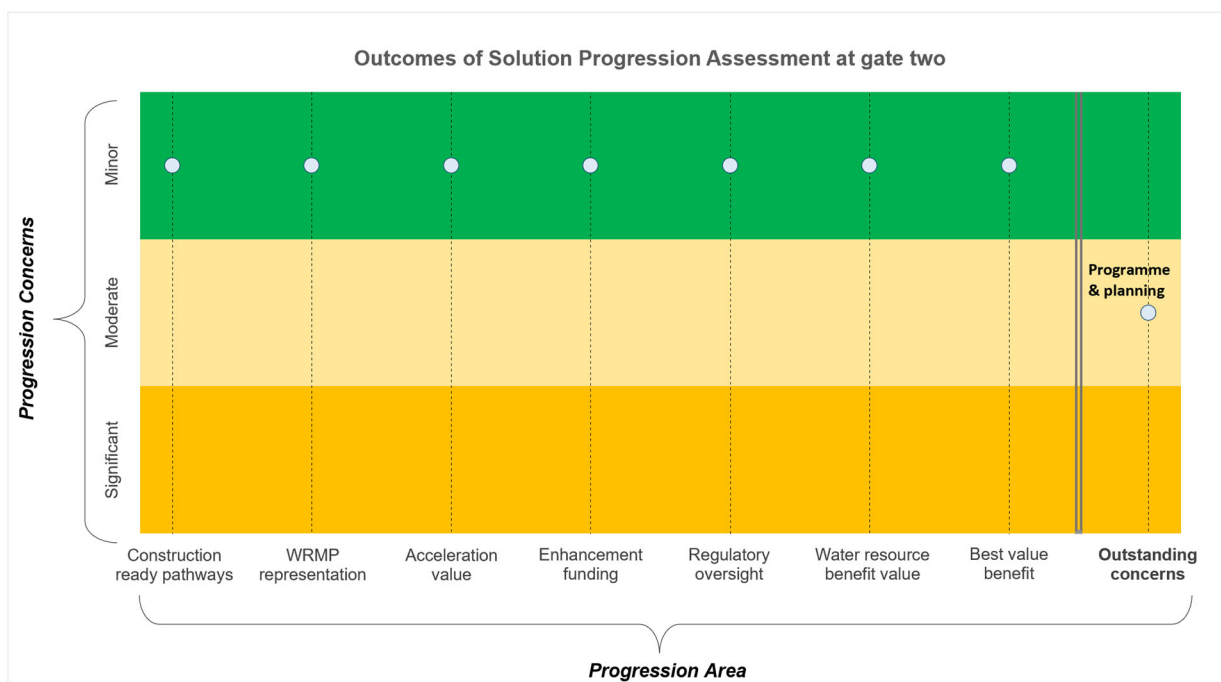


Figure 2. Assessment of solution's progression concerns

Table 3. Final decision progression criteria

Progression criteria	Poole Effluent Recycling and Transfers
<b>Solution owners</b>	Wessex Water and South West Water
<b>Is the solution in a preferred or alternative pathway in relevant regional plan or WRMP (where applicable) to be construction ready by 2030?</b>	Yes, the solution is chosen in South West Water's, Bournemouth Water's and Wessex Water's draft WRMP24, as a solution on its preferred pathway, which is the relevant plan for the standard track. The solution is also in the West Country's draft regional plan. The solution will be construction ready by 2030.
	No further action is required on this progression criteria.
<b>Do regulators have any significant concerns with the solution's inclusion or non-inclusion in a WRMP or regional plan or with any aspects that may impact its selection, to a level that they have (or intend to) represent on it when consulted?</b>	No, the regulators do not have concerns on how the solution is represented, or the information about it, in South West Water's, Bournemouth Water's and Wessex Water's draft WRMP24, or the West Country's draft regional plan.
	No further action is required on this progression criteria.
<b>Is there value in accelerating the solution's development to meet a company's or region's forecast supply deficit?</b>	Yes. A solution is required to address South West Water's, Bournemouth Water's and Wessex Water's forecast deficit.
	No further action is required on this progression criteria.
<b>Does the solution need continued enhancement funding for investigations and development to progress?</b>	Yes. Continued funding is required to develop a solution to be delivered in time for the planned construction ready date.
	No further action is required on this progression criteria.
<b>Does the solution need the continued regulatory support and oversight</b>	Yes. The solution will continue to benefit from the regulatory support and oversight provided by being included in the RAPID programme.

<b>provided by the Ofwat gated process and RAPID?</b>	No further action is required on this progression criteria.
<b>Does the solution provide a similar or better cost / water resource benefit ratio compared to other solutions?</b>	Yes. This solution does provide a similar or better cost / water resource benefit ratio compared to other solutions.
	No further action is required on this progression criteria.
<b>Does the solution have the potential to provide similar or better value (environmental, social and economic value – aligned with the Water Resources Planning Guideline) compared to other solutions?</b>	Yes. This solution has the potential to provide similar or better value (environmental, social and economic value – aligned with the Water Resources Planning Guideline) compared to other solutions.
	No further action is required on this progression criteria.
<b>Does a regulator or regulators have outstanding concerns that have not been addressed through the strategic planning processes taking into account proposed mitigation?</b>	Yes. Regulators have concerns regarding the pilot plant timing. The data collection and review from the pilot plant will not be complete until approximately six months prior to gate four submission. This means the solution will carry a substantive regulatory compliance risk into gate four. There will be a risk at gate four that the scheme will not be permissible or will require significant changes to the treatment regime and/or design of the treatment plant to meet permit requirements.
	This progression concern is addressed in action 2 in appendix A of this document.

## 4.2 Solution funding to standard gate three

We are changing the funding of this solution. The details of this funding decision are set out in table 4 below, and details on forward programme in section 8.1.

**Table 4. Poole Effluent Recycling and Transfers funding allowances**

	Gate one	Gate two	Gate three	Gate four	Total
<b>Poole Effluent Recycling and Transfers gated allowance</b>	£0.47m	£0.71m	£6.10m	£1.90m	£9.18m
<b>Comment</b>	10% of development allowance calculated as 6% of total solution costs	15% of development allowance calculated as 6% of total solution costs	Allowance has been revised and capped.	We will review gate four expenditure as part of gate three assessment or PR24.	Updated to reflect revised gate three expenditure cap.
<b>Previous Allowance</b>	£0.47m	£0.71m	£1.66m	£1.90m	£4.74m
<b>Change from Previous Allowance</b>	£0.00m	£0.00m	£4.44m	£0.00m	£4.44m

This funding has been revised to account for forecast costs at gate three. We have determined that across all solutions, gate three costs have risen due to factors such as increases in solution design costs, changes in scope and additional funding required to develop the Environmental Impact Assessment (EIA), water quality assessments, ground investigations and other environmental field studies and assessments.

The Poole Effluent Recycling and Transfer solution will be allowed to spend up to £6.10 million to undertake gate three activities, representing an increase of £1.56 million from our draft decision. This figure has been reached based on funding 100% of the forecast costs for gate three. We are not amending the gate four allowances at this point.

We are removing the cost sharing arrangements for gate three which were in our draft decision and are instead capping the allowance at a higher level. This means that the solution may pass on the costs of gate three development but only up to the higher cap. The solution will be allowed to use its previous underspends to offset expenditure above the cap to provide some flexibility against cost uncertainty.

These arrangements will be implemented through the 2019 price review (PR19) reconciliation mechanism. The impact on the solution owners of any expenditure above or below the cap will depend on the extent to which the solution was already funded at PR19.

The solution may bring forward some gate four activities, which can be funded from the gate four allowance. There must be a clear rationale for undertaking the expenditure early, including evidence of the benefits of doing so, instead of waiting for greater solution certainty.

We confirm that any funding for AMP 8 will be decided through the PR24 process.

### 4.3 Evidence of efficient expenditure

The PR19 final determination specified that any expenditure on activities outside the gate activities for the identified solutions (or solutions that transfer in) will be considered as inefficient and be returned to customers. We will consider whether gate activity is efficient by considering the relevance, timeliness, completeness, and quality of the submission which should be supported by benchmarking and assurance.

Poole Effluent Recycling and Transfers has carried forward £0.09m underspend from gate one, increasing the allowance available to them at gate two to £0.80m.

Our assessment of the efficient costs as spent on standard gate two activities results in an allowance for this solution of £0.74m (of £0.74m claimed). Poole Effluent Recycling and Transfers has therefore underspent its combined gates one and two allowance by £0.06m and may take this underspend forward to gate three, increasing the allowance available to them at gate three to £6.16m (when rounded down).

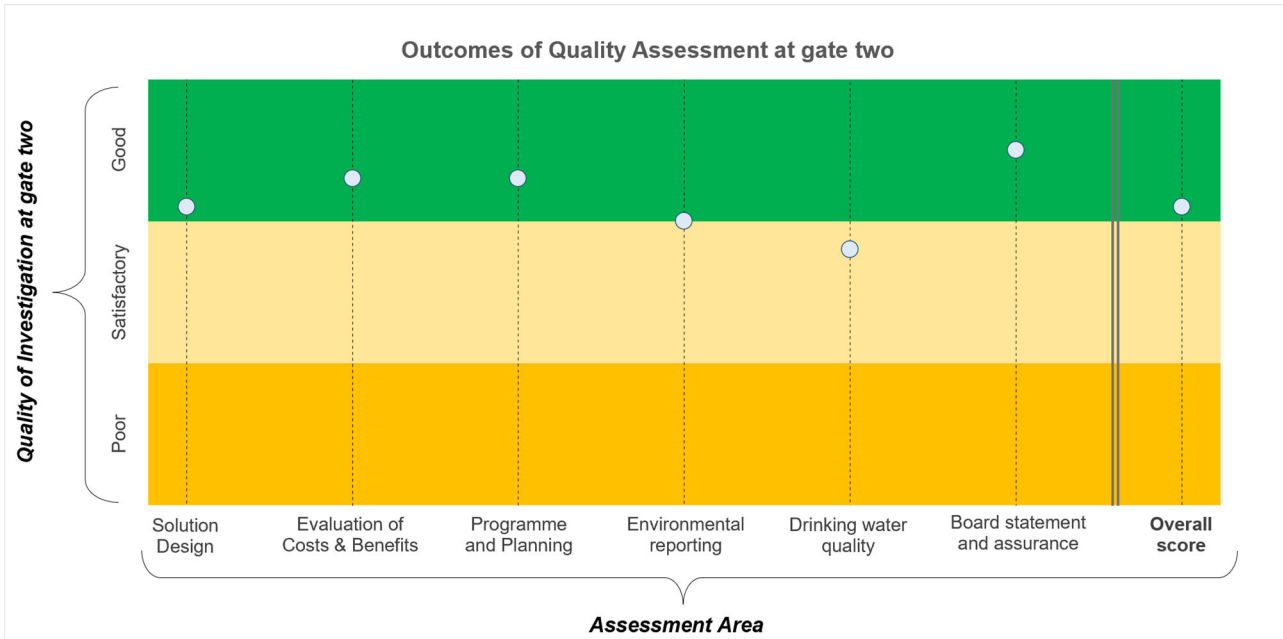
From gate three, we will move to look at the gate spend against total allowance, across all gates. Overspends and underspends are then to be managed through cost sharing between the water company and customers. As Poole Effluent Recycling and Transfers is progressing to gate three, this will apply here.

From gate two, we will move to look at the cumulative gate spend against the cumulative total allowance, across all gates consistent with the activities being undertaken. For example, any gate four allowance that is brought forward towards gate three should be for the purpose of early gate four activities. As Poole Effluent Recycling and Transfers is progressing to gate three, this will apply here.

### 4.4 Quality of solution development and investigation

The aim of the assessment was to determine whether gate two activities have been progressed to the completion and quality expected, for the continued development of the solution.

Figure 3 shows our assessment of the work completed on the solution, which was presented in the gate two submission. Our assessment was made against the criteria of robustness, consistency, and uncertainty to grade each area of the submission as good, satisfactory, or poor in accordance with the [standard gate two guidance](#), (updated version published on 12 April 2022). We also assessed the Board assurance provided.



**Figure 3. Assessment of quality of investigation**

Our overall assessment for the solution submission is that it is a good submission that meets expectations of gate two.

In addition to the overall assessment score, there is some variance in expectations being met across the submission, with environmental assessment and drinking water quality falling short of expectations and not as developed as would be expected at gate two.

We explain our assessment of each individual area, including any shortfalls in expectations, in the sections below. We have not applied any delivery incentive penalties as a result this assessment of quality, as further detailed in section 6.

#### 4.4.1 Solution Design

Our assessment of the Solution Design considered the quality of the evidence provided on the initial solution and sub-options; the anticipated operational utilisation of solutions; the interaction of the solution with other proposed water resource solutions and stakeholder and customer engagement. The assessment also considered whether information was provided on the context of the solution’s place within company, regional and national plans.

We consider South West Water and Wessex Water to have provided sufficient evidence of progress in developing the solution design for gate two. However, we want to see evidence of more solution-specific customer engagement as set out in priority action 1 and action 1 in Appendix A.

#### **4.4.2 Solution costs**

Our assessment of the unit costs of delivering the Poole Effluent Recycling and Transfer is that they are reasonable at this stage and cost changes from gate one to gate two have been sufficiently explained and are as a result of detailed development of the solution or changing market conditions. For instance, there has been a change to the abstraction location. The assessment also considers the use of the solution as a drought resilience asset, and therefore cost per capacity is often a more appropriate metric than cost per projected utilisation. We will continue to scrutinise cost estimate changes from gate two to gate three.

#### **4.4.3 Evaluation of Costs and Benefits**

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

We consider that South West Water and Wessex Water have provided sufficient evidence of evaluating the costs and benefits of the solution to an appropriate standard for gate two.

#### **4.4.4 Programme and Planning**

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

We consider the evidence provided by South West Water and Wessex Water regarding the programme and planning, risks and issues and the procurement and planning route strategy for Poole Effluent Recycling and Transfers to be of sufficient detail and quality for gate two. However, we would want to see more evidence of activities to mitigate programme risks as specified in priority action 2 in Appendix A.

#### **4.4.5 Environment**

Our assessment of Environment considered the initial option-level environmental assessment; the identification of environmental risks and an outline of potential mitigation measures; the detailed programme of work used to address environmental assessment

requirements and the initial outline of how the solution will take into account the carbon commitments.

We consider South West Water and Wessex Water to have provided satisfactory evidence of progress in the environmental assessment, potential mitigations, future work programmes and embodied and operational carbon commitments for gate two. Although the opportunity to initiate relevant environmental monitoring and survey programmes was not taken, the resultant remaining level of uncertainty on environmental risk and adequacy of potential mitigation is acknowledged in the gate two submission. However, it falls short of meeting expectations in some areas. These need to be addressed fully in the programme of environmental monitoring, surveying, modelling and assessment for gate three such that there is a high degree of confidence in the evidence base for the solution to meet the requirements of all relevant formal consenting applications, as set out in actions 3 to 7.

#### **4.4.6 Drinking water quality**

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

This submission falls short of gate two requirements. No monitoring data has been collected and submitted to explain current catchment risks and there has been no liaison with drinking water quality teams to identify known risks affecting receiving water treatment works. From gate two onwards, we expect to see a comprehensive monitoring programme implemented, including emerging contaminants, and with sufficient results collected and submitted to inform properly the water quality risk assessment, treatment requirements for the water recycling plant and the drinking water safety plan for the receiving water treatment works. We expect liaison with local water quality teams to be carried out from gate two onwards to understand existing and potential raw water risks affecting receiving water treatment works and identify possible additional treatment requirements at those works.

#### **4.4.7 Board Statement and assurance**

The evidence provided relating to assurance is good for this stage of the gated process.

We note that the board of Southern Water has assured the work carried out up to 31 March 2022. We consider that the boards of South West Water and Wessex Water have provided a comprehensive assurance statement and have clearly explained the evidence, information and external / internal assurance that they have relied on in giving the statement.



## 5. Actions and recommendations

Where the submission has not been assessed as ‘meeting expectations’ in the quality assessment, or progression concerns have been raised, we have provided feedback on where we will seek remediation of the issues. We have also identified specific steps that solution owners should take in preparing for standard gate three.

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

Priority actions are those that should have been completed at gate two and must now be addressed on a short timescale in order to make sure the solutions stay on track. They require urgent remediation in full and for this reason directly relate to the assessment of delivery incentives set out in this publication.

Actions are those that should be addressed in full in the standard gate three submission. The response to these actions will influence the assessment of the gate three submission.

Recommendations are issues where additional information or clarification could improve the quality of future submissions.

We have also assessed progress on actions and recommendations from gate one.

### 5.1 Actions and recommendations from gate two assessment

Four priority actions have been identified for Poole Effluent Recycling and Transfers, which should be delivered by the date specified in Appendix A as part of a remediation plan.

Fifteen actions and recommendations have been identified for Poole Effluent Recycling and Transfers, which should be fully addressed at the gate three submission. Progress against actions will be tracked as part of regular checkpoints the solution holds with us whilst undertaking gate three activities.

The full list of priority actions, actions and recommendation for Poole Effluent Recycling and Transfers can be found in Appendix A.

### 5.2 Actions and recommendations from gate one assessment

We have assessed whether Poole Effluent Recycling and Transfers has met actions that were set out as a result of our gate one assessment.

No priority actions were identified for Poole Effluent Recycling and Transfers.

Fourteen actions and recommendations were identified for Poole Effluent Recycling and Transfers, which were expected to be fully addressed at the gate two submission.

We have decided that the actions have not been fully addressed in the gate two submission. Further detail of our conclusion against each individual action is shown in Appendix B.

## 6. Delivery Incentive Penalty

We have not applied delivery incentive penalties to this solution, as a result of the assessment carried out on the gate two submission.

## 7. Proposed changes to partner arrangements

There are no changes proposed to partner arrangements from gate two.

Since gate one, RAPID has agreed that Southern Water is no longer a solution partner because the scope of the solution has changed from inter-regional transfer to in-region use only<sup>4</sup>.

Since the gate two submission, the solution owners have proposed that from gate two the solution will be called Poole Water Recycling and Transfers. We agree with the proposal.

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<sup>4</sup> [WCWR-Interim-letter-response-27-May-2022.pdf \(ofwat.gov.uk\)](#)

## 8. Gate three activities and timing

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

For its gate three submission, we expect Wessex Water and South West Water to complete the activities listed in [PR19 final determinations: strategic regional water resources solutions appendix](#), as expanded on in section 7.4 of the main report and annex 9 of the solutions gate two submission. Activities are expected to be completed in line with delivery incentives and expectations set out in [RAPID's gate three guidance](#). We also expect the actions listed in appendix A to be addressed.

### 8.1 Gate three timing

Wessex Water and South West Water have proposed a date for gate three of March 2025. This is proposed alongside a forward programme of gate four in January 2028, proposed planning application submitted in late 2027, solution construction ready in 2030, and solution operational in 2035.

We have decided that the gate three submission date for Poole Effluent Recycling and Transfers will be January 2025, this is to align gate three solutions on a similar programme. However, we will discuss the possibility of changing that date at the Cheddar 2 Source and Transfer SRO Conditional Review Point set for 29 January 2024.

We agree with your forward programme for gate four.

The forward programme proposed by the solution is in line with the principles of RAPID's standard programme. Funding arrangements are set out in section 4.2 of this document.

## Appendix A: Gate two actions and recommendations

Priority Actions – to be addressed by the date specified		
Number	Area	Detail
1	Solution design	Provide a detailed customer and stakeholder engagement plan through gate three and beyond to RAPID by 30 November 2023.
2	Programme and planning	Detail all activities you will undertake, including owners and estimated completion dates, to mitigate the programme risks in section 7.4 of the Poole SRO Gate 2 report <sup>5</sup> and provide this to RAPID by 30 November 2023.
3	Drinking water quality	Provide to RAPID a comprehensive water quality monitoring plan by 30 November 2023.
4	Drinking water quality	Demonstrate to RAPID by 30 November 2023 that you are working with all relevant drinking water quality teams to seek views on the project and to understand its impact on drinking water safety plans and provide a plan to RAPID by 29 September 2023 for future engagement with those teams.
Actions – to be addressed in standard gate three submission		
Number	Area	Detail
1	Solution design	<p>Include outputs from further engagement activities in gate three. These activities should include:</p> <ul style="list-style-type: none"> <li>Engaging the Consumer Council for Water in the WCWR regional plan engagement making sure it is consulted on any plans for customer research.</li> <li>Including more in-depth stakeholder engagement around source changes and consumer acceptability associated with any change of source of supply. Any gate three submission should set out how the company will manage these changes and the associated risks.</li> <li>Working with Historic England and the Forestry Commission regarding the different components of the solution.</li> </ul>
2	Programme and planning	Explore the opportunity to accelerate the pilot plant so that data collection and review can take place earlier than six months before gate four. This will help reduce the risk at gate four of the scheme not being permissible or requiring significant changes to the treatment regime and/or design of the treatment plant.
3	Environment	Agree scoping of gate three environmental monitoring and survey programmes with Environment Agency and Natural England.
4	Environment	Clarify and agree with the Environment Agency detailed operational triggers for the solution including if river flows in the Hampshire Avon will be used to trigger operation of the solution.

<sup>5</sup> November 2022 [Poole SRO Gate 2 Report](#)

5	Environment	Complete a water framework directive assessment on the relevant groundwater bodies, particularly relating to the potential impact of the created wetland.
6	Environment	Determine the potential change in nutrient loading in the River Stour downstream of Longham Lakes in both full operation and sweetening flow scenarios.
7	Environment	Determine the potential impact of introduced phosphate loading on macrophyte growth between Corfe Mullen and Longham Lakes, the build-up of nutrients in this stretch of river and any potential impact on dissolved oxygen levels in the summer months.
8	Evaluation of costs and benefits	Include metric benefits associated with the solution and how the solution provides best value to customers beyond cost as part of the gate three submission. Ensure social and economic metric benefits are considered.
9	Solution Design	Confirm to RAPID that the solution aligns with Wessex Water and South West Water's Water Resource Management Plans (WRMP) and the West Country Regional Plan at the next available regular checkpoint meeting after the publication of the WRMPs and Regional Plans.

### Recommendations

Number	Area	Detail
1	Evaluation of costs and benefits	Provide descriptions and tables to show how cost estimates, including total planning period indicative option cost (Net Present Value), for the preferred option have changed between each gate.
2	Evaluation of costs and benefits	Identify in gate three interactions and possible positive synergies with other strategic plans and projects delivering environmental, amenity and societal benefits.
3	Programme and planning	Keep under review the scope of the Direct Procurement for Customers (DPC) project, taking into account our revised technical discreteness guidance and including engagement with RAPID on the rationale for excluding specific assets from the scope of DPC.
4	Environment	Provide a detailed assessment of the potential for renewable energy sources, and how sequestration and procurement of low carbon materials through the supply chain could improve the whole life carbon cost of the solution.
5	Environment	Determine the potential impact of a range of reasonable climate change scenarios on the operational utilisation of the solution.

## Appendix B: Gate one actions and recommendations

Priority Actions – No priority actions were identified at Gate one			
Number	Area	Detail	RAPID assessment outcome
N/A	N/A	N/A	N/A
Actions – addressed in standard gate two submission			
Number	Area	Detail	RAPID assessment outcome
1	Cost & Benefits	Include metric benefits associated with the options and how the solution provides best value to customers beyond cost as part of the gate two submission. Ensure social and economic metric benefits are considered.	Partially complete- metrics not included in the gate two submission; query response directed to WRMPs metrics. Refer to action 8 in appendix A.
2	Cost & Benefits	Ensure wider resilience benefits are investigated and quantified as part of the gate two submission. Include Water Resource South East (WRSE) resilience metric benefits associated with the option and how this contributes to the solution providing best value to customers beyond cost as part of the gate two submission.	Partially complete- wider resilience benefits have been investigated but not quantified. WRSE no longer involved as the solution is now in region only.
3	Cost & Benefits	Compare costs and benefits of the options considered and demonstrate which of the solution options are considered to provide best value for customers as part of the gate two submission. Include both West Country Water Resources (WCWR) and WRSE regional plan Best Value Plan outputs in the gate two submission	Partially complete- limited options available for comparison of costs and benefits. WRSE no longer involved as the solution is now in region only.
4	Programme and planning	A detailed consideration of how DPC might impact on the delivery timetable due to the solution not passing the discreteness test a requirement for the full analysis against the six technical criteria.	Complete
5	Programme and planning	Keep open the possibility for legal solutions (contractual) to be developed to address regulatory barriers. Further investigation of regulatory barriers and	Complete



		how one might overcome these to deliver a best value outcome for customers.	
6	Programme and planning	Provide the full discreteness test analysis against the six technical criteria in respect of the discreteness test. To review whether elements of the solution could be delivered by DPC, eg interconnectors/pipelines/treatment works.	Complete
7	Environment	In terms of the option level environmental assessment: There is a need to explore how to ensure the River Avon is compliant with flow requirements set out in its Conservation Objective. Investigate whether the solution owners will be able to satisfy their obligations under the Habitats Regulations and under the Wildlife and Countryside Act 1981 in respect of the West Country South Southern Transfer (given that the draft regional water resources plan identifies future significant deficits of supply and demand when climate change and environmental destination are taken into account and it is currently unclear how this deficit will affect Habitats sites and SSSIs going forward).	Partially complete- initial meeting with Natural England and Environment Agency to discuss this. Dates for workshop requested but workshop yet to be held.
8	Environment	The site specific Habitats Regulation Assessment (HRA) should incorporate developments in the WCWR Regional Plan HRA.	Partially complete- gate two HRA report addressed a number of issues raised at gate one but several inadequacies remain. Address through action 3.
9	Environment	Develop more detailed monitoring and mitigation measures in consultation with Natural England.	Incomplete- refer to action 3.
<b>Recommendations</b>			
<b>Number</b>	<b>Area</b>	<b>Detail</b>	<b>RAPID assessment outcome</b>
1	Solution design	Ensure utilisation is determined through regional modelling as part of gate two, including uncertainty and sensitivity. Provide detailed explanation of the methodology for defining utilisation from the regional modelling at gate two.	Partially complete- utilisation methodology presented but no evidence of regional modelling used.

2	Solution design	Ensure outputs of further engagement activities included for gate two. Need to ensure Consumer Council for Water are included in WCWR regional plan stakeholder engagement going forward and is consulted on any plans for customer research.	Incomplete- refer to action 1 in appendix A.
3	Costs & Benefits	Reassess and refine solution Deployable output (DO) benefits under 1 in 500 drought resilience and the best value metrics and assessment following the outputs of regional modelling with uncertainty and sensitivity and methods explained.	Complete
4	Costs & Benefits	Interactions and possible positive synergies of each plan with other strategic plans and projects delivering environmental and societal benefits should be identified e.g. Dorset Heaths Planning Framework, Stour Valley Park, Solent Nutrient Neutral Development.	Incomplete – refer to recommendation 2 in appendix A.
6	Environment	Relating to carbon, be clearer in the main submission on relevant greenhouse gas emissions frameworks, methodologies, and industry and national policy commitments and ambitions used. Clearly explain how these have been used to determine and manage greenhouse gas emissions of project	Complete
7	Drinking water quality	Specific to Poole STW, the risk assessment must consider the impact of influent on the treatment process at Poole STW and inclusion of a failsafe shut down to ensure that any partial or full STW treatment failure does not lead to non-compliant effluent being discharged to the River Stour for abstraction/transfer to Testwood.	Complete

**Ofwat (The Water Services Regulation Authority)  
is a non-ministerial government department.  
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