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Strategic regional water resource solutions: gate two final decision for Mendip Quarries

Ofwat

Strategic regional water resource solutions: gate two final decision for Mendip Quarries

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1. Introduction

The purpose of this publication is to set out our final decision about whether the Mendip Quarries solution should continue to receive development funding. The solution owners Wessex Water and South West Water submitted their standard gate two reports on 11 July 2023 for assessment. Further information concerning the background and context of the Wessex Water and South West Water Mendip Quarries solution can be found in the Mendip Quarries publication document on the Wessex Water website[1].

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

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, have reviewed the environmental sections of the submissions, and provided feedback to RAPID. The Consumer Council for Water (CCW) 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 11 December 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.

[1] mendip-quarries-sro-gate-2-report-jul-2023.pdf (wessexwater.co.uk)

2. Solution Summary

2.1 Solution summary

The Mendip Quarries strategic resource option (SRO) is being jointly developed by Wessex Water and South West Water to provide resilient water supplies to the South West of England by addressing current forecasted resource deficits.

The Mendips Quarries solution is a reservoir arising from a re-purposed quarry located in the Mendips hills. The gate two work has concentrated on Torr Quarry, which is located between Frome and Shepton Mallet. The reservoir would have a useable capacity of 28.5 million m^3; approximately 33% larger than Wimbleball reservoir. The reservoir would be fed by a combination of groundwater and surface water from an enhanced River Avon abstraction licence, providing a water resource benefit of up to 46 megalitres per day (ml/d). Two treatment and conveyance proposals have been developed:

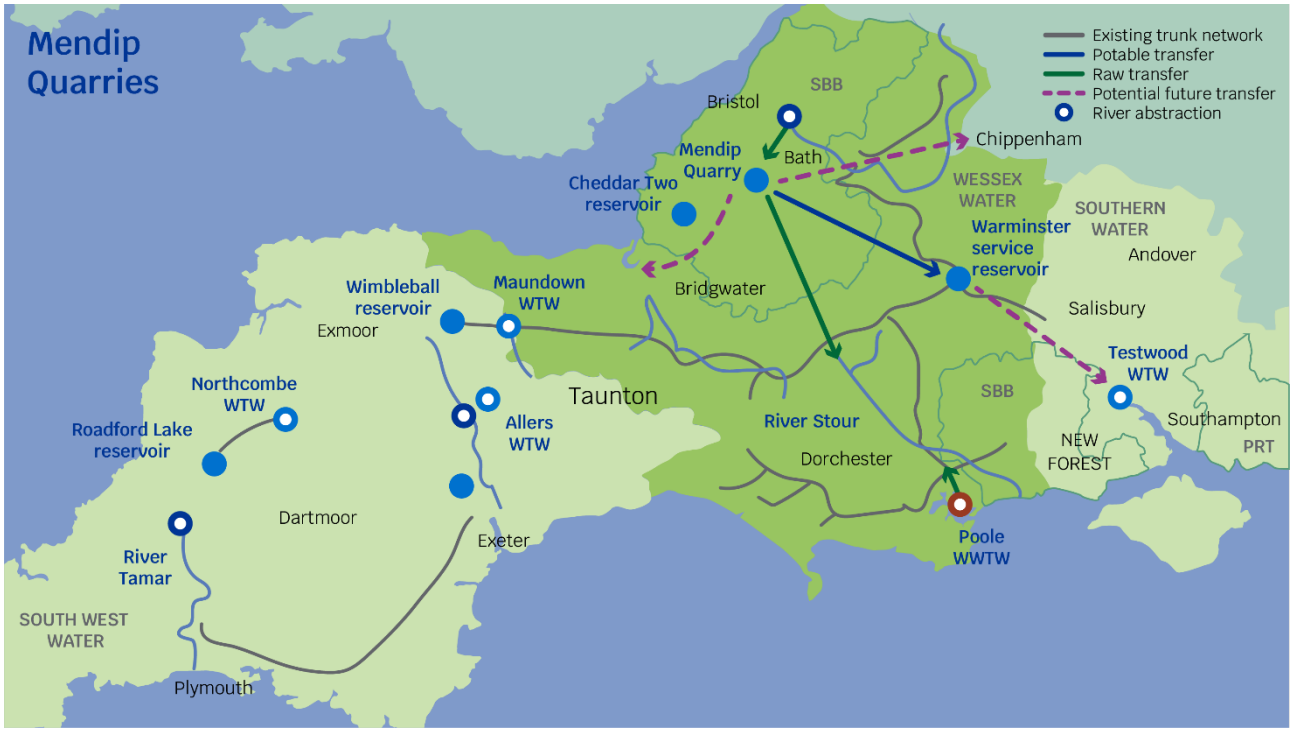
1. Surface water will be treated to potable standards and transferred to an existing Wessex Water service reservoir, located near Warminster in Wiltshire.

2. Surface water will be treated to raw water discharge standards and transferred to the River Stour in Dorset for subsequent downstream abstraction and treatment to potable water standards at an existing water treatment works (WTW) supplying Bournemouth Water.

There are additional opportunities for enhancing both the yield of the scheme and for additional transfers within the West Country Water Resource Group (WCWRG) region as well as interregional transfers. Further information concerning the background and context of the Wessex Water and South West Water Mendip Quarries can be found in the Mendip Quarries publication document on the Wessex Water[2] and South West Water[3] websites.

[2] mendip-quarries-sro-gate-2-report-jul-2023.pdf (wessexwater.co.uk)
[3] water-quality-and-resilience.pdf (southwestwater.co.uk)

Figure 1. Mendip Quarries solution schematic



3. Summary of representations

3.1 Representations received

We have received the following representations relevant to the Mendip Quarries.

Table 1. Summary of representations

Representation from	Summary of representation
West Country Water Resource Group/ Wessex Water/ South West Water	• Solution owners accept the decisions and have no representations to make on the draft decision. • Solution owners have provided finalised and updated costs for gate two, acknowledging that the costs provided at the time of submission were forecast, as outlined in section 11.2 of the gate two report. Please see section 3.2.1 for our response.

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.

3.2.1 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.

4. Solution assessment summary

Table 1. Final decision summary

Recommendation item	Mendip Quarries
Solution owners	Wessex Water and South West Water
Should further funding be allowed for the solution to progress to accelerated 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 all priority actions and actions from previous gates addressed?	No, refer to section 5.2
Suitable timing for gate three has been proposed	Yes, June 2028

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 2 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

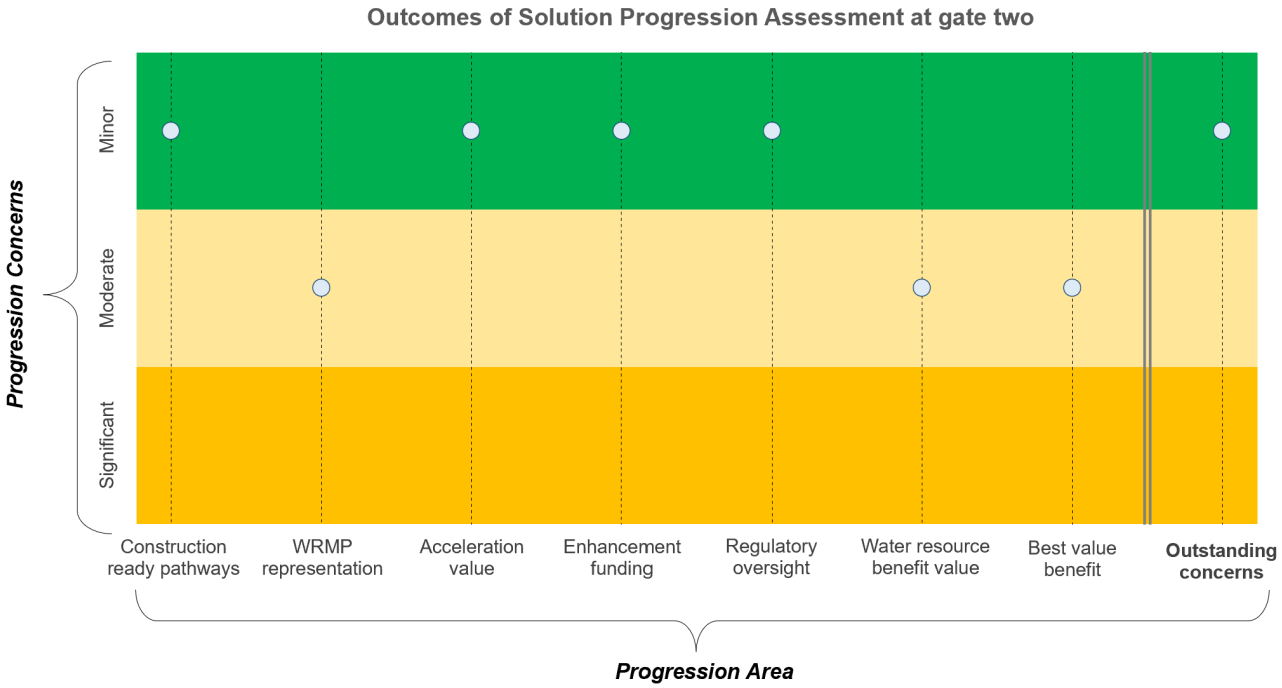


Table 2. Final decision progression criteria

Progression criteria	Mendip Quarries
Solution owners	Wessex Water and South West Water
Is the solution in a preferred or alternative pathway in relevant regional plan or Water Resource Management Plan (WRMP) (where applicable) to be construction ready by 2030?	Yes, the solution is chosen in Wessex Water's and South West Water's draft WRMP24s, as a solution on their preferred pathways, which are the relevant plans for the standard track. The solution is also in the WCWRG draft regional water resources plan. Despite being on a preferred pathway, implementation is delayed due to procurement of the site and that the quarry is still actively used. The solution will not be construction ready by 2030 but can be construction ready by 2030 -2035.
	This progression concern is addressed in section 4.4.4, programme and planning section of this document.
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?	No, the regulators do not have concerns on how the solution is represented, or the information about it, in South West Water's or Wessex Water's draft WRMP24s, or the WCWRG draft regional plan. However, a recommendation has been included to ensure that there is a consistent narrative between the regional plan, relevant company water resource management plans and the solution's gate three submission.
	This progression concern is addressed in section 4.4.1 solution design of this document.
Is there value in accelerating the solution's development to meet a	Yes. Solutions are required to address Wessex Water's and South West Water's forecast deficit. There is value in the solution being in the RAPID programme and continuing to be investigated to help meet the region's deficit.

company's or region's forecast supply deficit?	No further action is required on this progression criteria.
Does the solution need continued enhancement funding for investigations and development to progress?	Yes. Continued funding is required to develop the solution for delivery in time for the planned construction ready date. We are confident that the solution still meets the criteria for RAPID schemes and would benefit from the continuation of funding.
	No further action is required on this progression criteria.
Does the solution need the continued regulatory support and oversight provided by the Ofwat gated process and RAPID?	Yes. The solution will continue to benefit from the regulatory support and oversight provided by being included in the RAPID programme.
	No further action is required on this progression criteria.
Does the solution provide a similar or better cost / water resource benefit ratio compared to other solutions?	No. The paucity of options in the WCWRG draft regional plan limits our confidence in whether the solution represents a best value option. The solution costs are lower than the average of other solutions at the gate two stage although this is due to reduced construction requirements of the reservoir.
	This progression concern is addressed in section 4.3 evidence of efficient expenditure and section 4.4.2 solution costs of this document.
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?	Yes. The solution has the potential to provide significant support to the Bournemouth area and without the solution, the delivery of environmental requirements would be at risk. It should be noted though that the lack of alternative options in the WCWRG draft regional plan limits our confidence in the solution being representative of a best value option.
	This progression concern is addressed in section 4.4.5 environment and section 5.1 gate two actions and recommendations of this document.
Does a regulator or regulators have outstanding concerns that have not been addressed through the strategic planning processes taking into account proposed mitigation?	No outstanding concerns have been identified at this stage.
	No further action is required on this progression criteria.

4.2 Solution funding to standard gate three

We are not changing the funding of this solution. This solution's total allowance and gate allowances remain the same as when it joined the process. This is consistent with Mendip Quarries gate two submission that gate three can be delivered within the original funding. The details of this funding decision are set out in Table 3 below, and details on forward programme in section 8.1 gate three timing.

Table 3 Mendip Quarries funding allowances

	Gate one	Gate two	Gate three	Gate four	Total
Mendip Quarries gated allowance	N/A	£5.01m	£11.70m	£13.37m	£30.08m
Comment	No gate one allowance for new solutions	15% of development allowance calculated as 6% of total solution costs	35% of development allowance calculated as 6% of total solution costs	40% of development allowance calculated as 6% of total solution costs	Total development allowance calculated as 6% of total solution costs

This funding is allowed in accordance with the conditions and requirements as outlined in the PR19 final determinations: Strategic regional water resources solution appendix.

4.3 Evidence of efficient expenditure

The price review 2019 (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.

Our assessment of the efficient costs as spent on standard gate two activities results in an allowance for this solution of £2.00m (of £2.00m claimed). The Mendip Quarries has therefore underspent its gate two allowance by £3.02m and may take this underspend forward to gate three, increasing the allowance available at gate three to £14.72m (when rounded up).

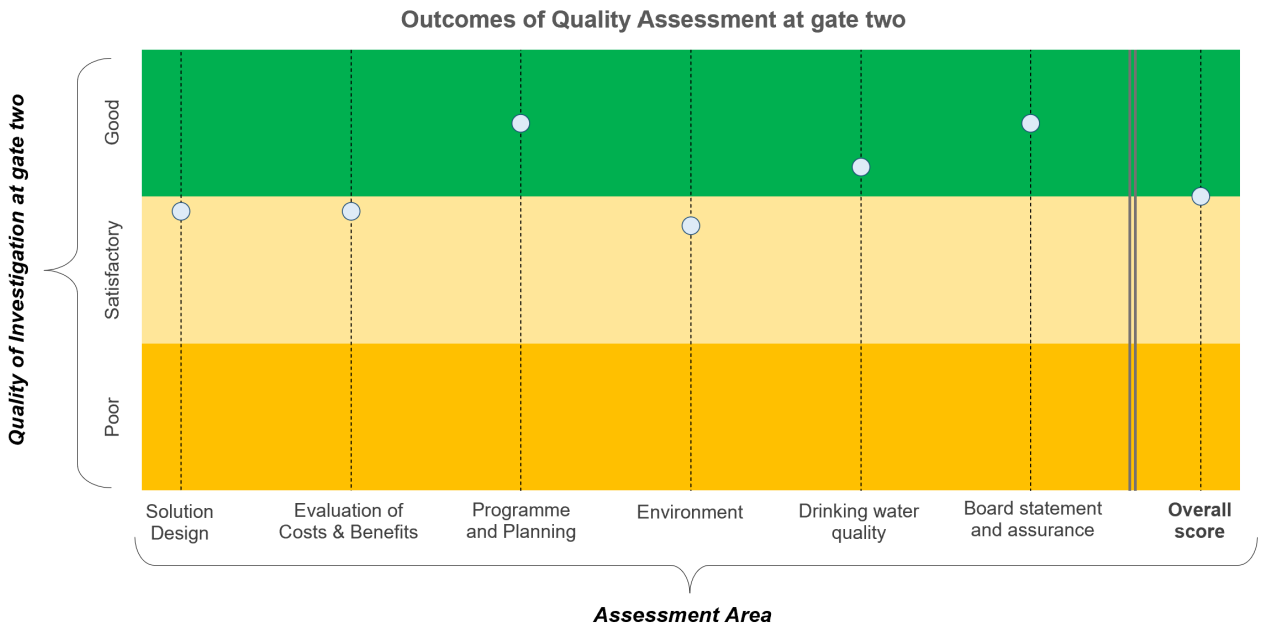
From gate two, we will move to look at the cumulative gate spend against the cumulative total allowance, across all gates consistent with the activities being undertaken. For example, any gate four allowance that is brought forward towards gate three should be for the purpose of early gate four activities. As Mendip Quarries 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 some aspects of solution design, evaluation of costs and benefits reporting, environmental reporting and drinking water quality falling short of expectations and not being 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 of 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 Wessex Water and South West Water to have provided sufficient evidence of progress in developing the solution design for gate two. However, we require that the solution is modelled as part of the regional model and that the solution explores if storage volume estimates for Freeman's quarry can be created through models, as set out in action 2.

We require more evidence of stakeholder engagement outcomes, as set out in action 3.

There is no regional water resources model for the WCWRG region. Once developed, the solution should use the regional water resources model to optimise the utilisation of Mendip Quarries and any possible intra-regional transfers. Further modelling should be used to determine how Mendip Quarries and the Poole Water Recycling and Transfers solution can operate together and use this to establish optimal operating arrangements. Evidence from this modelling should be used to present how Mendip quarries and Poole Water Recycling and Transfers are best value for the region, as set out in action 1. The outcomes of modelling should be included in the gate three submission.

We wish to see that the solution has a consistent narrative between the regional plan, relevant company water resource management plans and the solution's gate three submission, as set out in recommendation 1.

Currently proposed for the gate three submission, we welcome a full options appraisal of corridors and treatment sites following further hydrogeological modelling.

We require that outputs from further consultation and engagement activities are included in gate three (addressed in action 3) and in feedback to RAPID at regular checkpoints. CCW should be included in consultation and engagement on the WCWRG regional plan, and on any plans for customer research regarding the specifics of the solution. Additionally, Historic England and the Forestry Commission should be consulted regarding the different components of the solution. We expect to see the outcomes of this consultation in the gate three submission. These requirements are set out in action 3.

4.4.2 Solution costs

Our assessment of the unit costs of delivering the Mendip Quarries is that they are reasonable at this stage and cost changes from gate one to gate two have been sufficiently explained and are because of detailed development of the solution or changing market conditions. For instance, there have been significant changes to the solution's scope, such as an increase in peak transfer capacities to Wessex Water and Bournemouth Water. 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 & 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 Wessex Water and South West 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 Wessex Water and South West Water regarding the programme and planning, risks and issues and the procurement and planning route strategy for Mendip Quarries to be of sufficient detail and quality for gate two. We have required in action 16 that the solution completes an updated technical discreteness assessment that accords with Ofwat's current guidance. We additionally recommend early engagement with Ofwat ahead of Direct Procurement for Customers (DPC) stage 2 submissions, as set out in recommendation 4. This is to discuss proposed commercial and procurement models and approaches.

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 sufficient evidence of progress in the environmental assessment, risks and potential mitigations, future work programmes and embodied and operational carbon commitments for gate two but that there are some shortfalls which will need to be addressed by gate three.

We are requiring that a detailed review of the quantity of water available for abstraction from the River Avon and a comparison of chemical water quality for the River Avon, ground water at Torr Works and River Stour are completed. A detailed assessment for flow regime changes in the River Avon and associated implications in the Severn Estuary should also be completed with further detailed assessment for changes in hydrogeological regime for Torr Works and local groundwater dependent surface waters. Additionally, we require an assessment of the potential changes in flow regime for the River Stour and the implications of this for Christchurch Harbour and the Solent designated sites. This is set out in actions 5 to 9.

The solution also falls short in some areas of assessment including olfaction cues for migratory fish species and carbon assessment. Actions 10, 13 and 14 respectively have been set to address these areas.

A detailed invasive non-native species (INNS) risk assessment and identification of associated treatment requirements have not been conducted. We require, as set in action 11, that this is completed for the gate three submission.

As per action 4, scope out and agree the environmental monitoring and survey programmes associated with gate three with the Environment Agency and Natural England. Agree with the Environment Agency and Natural England a timetable for carrying out the programmes and carry out those programmes in accordance with the agreed scope and timetable. We require, as per action 12, that you specify all river crossing construction methods in the gate three submission.

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.

Overall, the assessment of Drinking Water Quality was good. However, the development of the drinking water safety plan falls short of expectations at gate two. The water quality monitoring plan has not been formulated to incorporate all emerging contaminants of concern. Priority action 1 requires that the water quality monitoring plan must incorporate all emerging contaminants of concern as detailed in the All Company Working Group (ACWG) Methodology.

The solution has a raw water quality monitoring plan which has not yet commenced and was due to commence in summer 2023. The solution should start monitoring as soon as possible and use the monitoring outcomes to inform the mitigation measures required for the strategic resource option drinking water safety plan. Action 15 has been set to address this concern.

4.4.7 Board Statement and assurance

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

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 concernments 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 actions and recommendations from gate one.

5.1 Actions and recommendations from gate two assessment

One priority action has been identified for Mendip Quarries, which should be delivered no later than the date specified against the priority action. If solution owners cannot meet this deadline, please explain this in the representation.

There are 20 actions and recommendations identified for the solution, 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 recommendations for the solution can be found in Appendix A.

5.2 Actions and recommendations from gate one assessment

We have assessed whether Mendip Quarries has met actions that were set out as a result of our gate one assessment.

Two priority actions were identified for Mendip Quarries,

As agreed as a part of the remediation plan, priority actions were due to be completed on 12 April 2022. The solution presented their remediation to us, and we have decided that the priority actions have been fully addressed. Further detail of our conclusion against each individual priority action is shown in Appendix B.

19 actions and recommendations were identified for Mendip Quarries, 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.

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 South West Water and Wessex Water to complete the activities listed in PR19 final determinations: strategic regional water resources solutions appendix, as expanded on in section 7.4.3 of the solution's 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 have proposed a date for gate three of June 2028. This is proposed alongside a forward programme of gate four in September 2029, proposed planning application submitted in 2030, solution construction ready in the period 2030 to 2035, and solution operational in 2042.

We have reviewed your forward programme for gate four. Gate four should be scheduled approximately eight weeks after the date when development consent order applications or local planning applications are projected to have been made, so this should be in 2030, after the proposed development consent order or local planning application for the solution has been made, not before.

The remainder of the forward programme proposed by the solution is in line with the principles of RAPID's standard programme and is agreed.

Appendix A: Gate two actions and recommendations

Priority Actions – to be addressed by 31 March 2024		
Number	**Area**	**Detail**
1	Drinking water quality	Ensure the water quality monitoring plan incorporates all emerging contaminants of concern as detailed in the ACWG methodology. Provide a water quality monitoring plan including these emerging contaminants to RAPID by 31 March 2024.
Actions – to be addressed in standard gate three submission		
Number	**Area**	**Detail**
1	Solution design	Use a regional water resources model for the WCWRG region to optimise the utilisation of Mendip Quarries, and any possible intra-regional transfers. Explore and model how the Mendip Quarries and Poole Water Recycling and Transfers SROs can operate together to determine an optimal operating arrangement. Use this evidence to present how Mendip Quarries and Poole Water Recycling and Transfers are best value for the region. The scope and content of the information required should be worked up with RAPID and information should be provided in the gate three submission to the satisfaction of RAPID.
2	Solution design	Explore if storage volume estimates for Freeman's (CEMEX UK Materials Ltd.) Quarry can be created through models. If they can be created through models, provide the evidence to RAPID. If they cannot be estimated, clearly elaborate with sufficient evidence why this quarry is not a viable option.
3	Solution design	Provide a stakeholder engagement plan. The plan should include the following activities: • Establish stakeholder forums and technical working groups with stakeholders (including non-statutory stakeholders). • Carrying out community consultation and engagement. • Include CCW in consultation and engagement on the WCWRG regional plan and consult with them on any plans for customer research regarding the specifics of the solution. • Consult and engage with Historic England regarding the different components of the solution. Regularly review any planned investigations and assessments with Historic England. • Consult and engage with the Forestry Commission regarding the different components of the solution. Regularly review any planned investigations and assessments with the Forestry Commission. Include outputs from this further consultation and engagement in the gate three submission.
4	Environment	Provide a scoping of and timetable for gate three environmental monitoring and survey programmes agreed with the Environment Agency and Natural England and carry out the monitoring and survey programmes in accordance with that agreed scope and timetable.
5	Environment	Conduct and provide a review of the quantity of water available for abstraction from the River Avon.

6	Environment	Conduct and provide a detailed assessment of the solution's change in the flow regime for the River Avon and implications for downstream ecology and hydromorphology including potential impacts on Severn Estuary designated sites.
7	Environment	Undertake and present a comparison of chemical water quality for the River Avon, groundwater at Torr Works and River Stour. Include an assessment of the significance of any changes in water quality due to solution operation.
8	Environment	Assess and present the solution's change to the flow regime for the River Stour and implications for downstream ecology and hydromorphology including potential impacts on Christchurch Harbour and Solent designated sites.
9	Environment	Assess and present the solution's changes to the hydrogeological regime surrounding Torr Works and provision of supporting flows for local groundwater dependant surface waters.
10	Environment	Assess and present the solution's impact on olfaction cues for migratory fish species for both the River Avon and River Stour.
11	Environment	Complete and provide a detailed INNS risk assessment. This should include ascertaining the level of INNS treatment and other preventative measures required to control the risk of spread to industry standards.
12	Environment	Provide details of all river crossing construction methods.
13	Environment	Propose a programme for future monitoring and reporting of carbon emissions.
14	Environment	Provide a narrative on how design and proposed operation have been adapted in response to the carbon assessment.
15	Drinking Water Quality	Commence raw water quality monitoring as soon as possible in accordance with the solution's Raw Water Quality Monitoring Plan and continue that monitoring in accordance with the Plan. Use the monitoring outcomes to inform the mitigation measures required for the strategic resource option drinking water safety plan. Report upon these monitoring outcomes and any proposed mitigations.
16	Programme and planning	Provide an updated technical discreteness assessment that accords with Ofwat's current guidance.

Recommendations

Number	Area	Detail
1	Solution design	Ensure that there is a consistent narrative between the regional plan, relevant company water resource management plans and the solution's gate three submission. Demonstrate how the solution meets a robustly justified water resource need.
2	Evaluation of Costs and Benefits	Assess the solution against a broader range of prospective options in strategic water resource planning across the WCWRG region.
3	Programme and planning	Clearly show numerical scores for residual risk in the detailed risk tables.
4	Programme and planning	Discuss proposed commercial and procurement models and approaches with Ofwat prior to Direct Procurement for Customers stage 2 submissions.

Appendix B: Gate one actions and recommendations

Priority Actions – addressed during the gate one representation period			
Number	**Area**	**Detail**	**RAPID assessment outcome**
1	Solution design	Provide an action plan for engagement with local stakeholders including specific dates for engagement before gate two	Complete
2	Drinking water quality	Written confirmation required that there is liaison with relevant drinking water quality teams.	Complete
Actions – addressed in standard gate two submission			
Number	**Area**	**Detail**	**RAPID assessment outcome**
1	Cost and benefits	Include metric benefits associated with the options and how the solution provides best value to customers beyond cost. Ensure societal and economic metric benefits are considered. Update natural capital assessment (NCA) & biodiversity net gain (BNG) providing greater detail on metrics used and potential impacts on Ancient Woodland.	Complete
2	Cost and benefits	Ensure wider resilience benefits are investigated and quantified. Include resilience metric benefits associated with the options, ensuring these are consistent with regional planning, and how this contributes to the solution providing best value to customers beyond cost.	Partially complete- wider resilience benefit has been investigated in the gate two submission. However, the limited range of options presented in the WCWRG draft regional plan significantly limits the confidence in whether the scheme represents a best value option. Refer to recommendation 2
3	Cost and benefits	Compare costs and benefits of the options considered and demonstrate which of the solution options are considered to provide best value for customers. Include both WCWR and Water Resources South East (WRSE) regional plan Best Value Plan outputs in the submission.	Partially complete- gate two submission includes comparison of the options considered. However, needs to include output from the regional modelling. Refer to action 1
4	Programme and planning	Please provide analysis for the different tender models for delivery of this project via DPC.	Complete
5	Environment	Consider all reasonable alternative sites within the site selection study proposed for gate two.	Complete
6	Environment	Progress and complete the full assessment and modelling of the solution to include the ecological requirements of the Mendip Woods SAC.	Complete
7	Environment	Complete hydrogeological assessment and modelling of the solution to include	Complete

		the ecological requirements of the Mendip Woods SAC.	
8	Environment	Consider the potential impacts of the recreational use of the proposed reservoir and surroundings on the Mendips Woods SAC	Complete
9	Environment	Ensure that the water quality assessment of the options covers all hydrologically connected designated sites and for the River Stour option show that nutrient neutrality requirements are met for the SACs associated with the Solent.	Complete
10	Environment	The current proposals for abstraction at Newton Mendip do not fully acknowledge the environmental constraints on the wider catchment. Engage with the Environment Agency to progress the approach for abstraction licensing to facilitate capture of high flows whilst providing the required environmental safeguards.	Complete
11	Drinking water quality	Investigate any risks associated with River Avon and surrounding catchment for inclusion in Drinking Water Safety Plan and risk assessment development. DWSP and risk assessment to include risks identified with R Avon and surrounding catchment in line with the ACWG methodology.	Complete

Recommendations

Number	Area	Detail	RAPID assessment outcome
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. Reassess operation for baseload supply vs resilience following regional plan reconciliation.	Partially complete- refer to action 1
2	Solution design	Review with regulators the implications of option to transfer water to WRSE via Kennet & Avon Canal as reconciliation of regional plans progresses in the context of water company environmental obligations on designated sites under Habitat Regulations.	Partially complete- WRSE no longer involved as the solution is in region only
3	Solution design	Ensure outputs of further engagement activities are included for gate two. Ensure CCW) are included in WCWR regional plan stakeholder engagement going forward and is consulted on any plans for customer research.	Partially complete- refer to action 3
4	Cost and benefits	Ensure consistency with the regional best value metrics following the outputs	Partially complete- the metrics align with the region however needs to include outputs of the regional model.

		of regional modelling with uncertainty and sensitivity and methods explained.	Refer to action 1
5	Costs and benefits	There is a need for BNG enhancements to show greater ambition. Whilst restoring the quarry to create lake habitat will provide some benefit, we would like to see, additional BNG enhancements such as creating wide shelves at the margins to provide diverse riparian habitats.	Complete
6	Cost and benefits	Reassess and refine solution Deployable output (DO) benefits under 1 in 500 drought resilience for both dry year annual average and dry year critical period scenarios following the outputs of regional modelling with uncertainty and sensitivity and methods explained. Continue to investigate to gate two the impact of the unlined nature of the quarry in terms of leakage. Engage further with the Environment Agency and stakeholders on the feasibility of altering annual licences and hands-off flows on the River Avon.	Complete
7	Cost and benefits	Ensure consistency with the regional best value assessment following the outputs of regional modelling with uncertainty and sensitivity and methods explained. Further develop best value assessment alongside regional plan reconciliation and WRMP preparation.	Partially complete- best value assessment aligns with the region however needs to include outputs of the regional model. Refer to action 1
8	Programme planning	Engage with our DPC team regarding the proposed procurement timetable and how this timetable aligns with the DCO process.	Complete

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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