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By email

Philip Saynor  
 Regulation Director  
 Cambridge Water

27 March 2024

Dear Philip,

## Strategic regional water resource solution: conditional review point final decision for Fens Reservoir

I am writing to inform you of our final decision following the conditional review point (CRP) in respect of the following strategic regional water resource solution:

- Fens Reservoir

**Table 1. Final decision in respect of Cambridge Water – sponsored solution**

Recommendation item	Fens Reservoir
Solution owners	Anglian Water and Cambridge Water
Should further funding be allowed for the solution to progress to gate three?	Further funding will be allowed for Fens Reservoir to progress to gate three.
Reasons for this decision	We included a priority action and set a CRP to consider the technical evidence that has informed the Water Resources East (WRE) regional plan and the selection of the Fens Reservoir as a ‘low regret’ and ‘must do’ option, including evidence that the timing and sizing of the reservoir represents best value for the region. This information was provided by the solution team. Following a review by RAPID and its partner regulators, we are satisfied that Fens Reservoir can now progress to gate three.
Should the timing of gate three remain unchanged?	We would like to discuss with the solution team the gate three timing to seek assurance that the solution team can deliver the requirements of gate three in September 2024 based on current progress against your programme of work, in particular in relation to environmental assessments. Whilst there is a focus on acceleration and efficiency during

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	<p>the gated process, as the gate three guidance sets out, there is flexibility in the timing of assessments and decisions. RAPID will consider suggestions put forward by solution owners on a case-by-case basis. At present, the timing of gate three remains September 2024, but RAPID will advise any change to timing following those discussions.</p>
<p><b>Are there any additional priority actions for urgent completion?</b></p>	<p>Yes.</p> <p>Additional Priority Action 1: By 2<sup>nd</sup> April 2024, provide to RAPID a detailed programme that shows the work the solution is going to do to deliver the requirements of gate three by September 2024. In particular, the programme must identify the environmental assessments that will be needed to support the pathways that the solution will need to go through in order to demonstrate compliance with the requirements of the Water Framework Directive (WFD) and Habitats Directive (HD).</p> <p>Additional Priority Action 2: By 31<sup>st</sup> May 2024, provide to RAPID a complete draft report (for review ahead of gate three) that explores how the solution intends to progress the available pathways to demonstrate compliance with the requirements of the WFD and HD, whether or not those pathways utilise a legislative derogation. The pathways included in the report should correspond to the pathways included in the programme provided pursuant to Additional Priority Action 1. The report should demonstrate that the solution has received advice from relevant professions indicating, subject to the outcome of supporting environmental assessments, that there is substantial confidence in at least one of the pathways succeeding to achieve compliance by the solution with the requirements of the WFD and HD, in order for the solution to be undertaken and receive all necessary consents, permissions and authorisations. The report should demonstrate how the solution intends to address the identification and assessment of alternative options, in the event that this is needed to support the solution’s pathway to achieve such compliance with WFD and HD requirements.</p>
<p><b>Are there any additional actions expected by gate three?</b></p>	<p>Yes.</p> <p>Additional Action 1: Engage with and facilitate the setting up of a Working Group involving Severn Trent Water, Affinity Water, Anglian Water and Cambridge Water on the ‘Grand Union Canal, Grafham Rede Pipeline and Cambridge Transfer Water Grid Sub Programme’ during the development of Fens Reservoir. Through this group explore further how the ‘system’ of interdependent schemes can be optimised to deliver the best outcome for customers and the environment. Provide reports on the outcomes from this group at future checkpoint meetings.</p>
<p><b>Are there any additional recommendations for the solution?</b></p>	<p>No</p>

## Summary of representations

Table 2. Representations received

Representation from	Summary of representation
<p><b>Fens Solution team – Anglian Water and Cambridge Water</b></p>	<p><b>Programme</b></p> <ul style="list-style-type: none"> <li>The solution team state that they will continue to discuss the gate three timing and milestone date at the forthcoming monthly checkpoints. They propose that the gate three date remains at the end of September 2024.</li> </ul> <p><b>Additional Priority Actions</b></p> <ul style="list-style-type: none"> <li>Priority Action 1: The solution team state that they will provide a detailed programme demonstrating their ongoing plan to deliver the requirements of gate three, including potential pathways through the WFD and HRA statutory processes.</li> <li>Priority Action 2: The solution team propose that the update they provided by 31<sup>st</sup> May 2024 is against the programme shared in Priority Action No. 1. A substantive, formal report on this plan/programme by 31<sup>st</sup> May is considered to be premature (and risks pre-determination), given the proper statutory processes that the solution team are required to follow under the HRA and WFD legislation, as part of the Development Consent Order (DCO) Consenting process.</li> </ul> <p><b>Additional Actions – Working Group</b></p> <ul style="list-style-type: none"> <li>The solution team inform us that South Staffs Water’s Asset Management and Investment Delivery Director has instigated the setting up of the requested Working Group to explore how the system of independent schemes can be optimised.</li> </ul> <p><b>Allocation of Costs</b></p> <ul style="list-style-type: none"> <li>The solution team note that RAPID are considering the % allocation and will set out the proposed allocation of costs between companies in advance of the PR24 draft determinations.</li> </ul>

## Our response

We have taken the representation into account in our final decisions, as set out in Table 1. Below is our response to the key points and issues raised in the representation, as summarised in Table 2. For the parts of the representation 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.

## Programme

We accept the solution's offer to continue to discuss gate three timing at future checkpoint meetings. As set out in the gate three guidance, there is flexibility in the timing of assessments and decisions and RAPID will consider suggestions put forward by solution owners on a case-by-case basis. RAPID will consider the need to revise the timing of gate three in the light of further discussions with the solution.

## Additional Priority Actions

We acknowledge the representation raised on the additional Priority Actions. We have updated the wording of these in Table 1. We have also revised the date for satisfaction of Additional Priority Action 1 in view of the date on which this final decision is being issued.

Additional Priority Action 2 is not intended to pre-empt work required as part of the DCO consenting process. It is intended to provide a mechanism to make sure the work that the solution team are progressing is on track to address the necessary points to support the solution's pathways to demonstrate compliance with the requirements of the WFD and HD.

This final decision will be published on our website on 27 March 2024.

Ofwat would like to thank Cambridge Water for the work that they have carried out to provide information for the CRP.

Yours sincerely

**Paul Hickey**  
Senior Director

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