

Regulators' Alliance for Progressing  
Infrastructure Development

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# Strategic regional water resource solutions: lessons learnt from gate two



## About this document

This document sets out our reflections from the gated process for strategic regional water resource solutions. It follows the assessment of solutions submitted for gate two, which concluded in December 2023. The intended readership of this document includes water companies, other regulators and wider stakeholders with an interest in strategic water resource solutions.

We intend to build on the lessons we have learned from the experience so far to improve the future stages of the process and to tackle the policy issues revealed.

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# 1. Introduction

In July 2022 we published lessons learnt from gate one and accelerated gate two. Since then, we have carried out gate two. The completion of gate two provides an opportunity to reflect on all aspects of the process and build on the experience we are gaining as we move through the gates. We can analyse which approaches were successful, how actions measured up against expectations and where to focus more time and training to ensure continued improvement.

This publication illustrates feedback from regulators, solution owners and external consultants alongside our own internal review. Findings have been summarised into six themes:

1. Collaboration and engagement
2. The broader gated process
3. Alignment of regulator views
4. Alignment with company water resource management plans
5. Assessment and gate two submission processes
6. Regulatory and commercial engagement

We want to apply lessons learnt to improve future gated processes and have reflected on our progress from gate one.

## 2. Lessons learnt themes

### 2.1 Collaboration and engagement

RAPID has continued to work on engagement with other regulators and the solution owners and it is good to see there was overall positive feedback on the increased coordination and collaboration between regulators within RAPID, as well as between RAPID and the solution teams. There was a general feeling that relationships were well-established and teams had gained experience of the gated process, which meant that gate two ran more smoothly than gate one. The staggered gate timing for Mendip quarries meant that there was further opportunity to pick up learning from earlier gate two submissions. However, solution teams noted frequent staff changes in RAPID as a challenge to effective engagement. In the past year we have recruited several permanent staff members as part of a wider recruitment drive to increase staff retention and improve consistency within the RAPID team.

Other key positive aspects for collaboration and engagement included:

- Informal catch ups to build trust and enable a "no surprises" approach.
- The solution teams met regularly through the All Company Working Group to drive consistency and progress.
- Positive engagement through regular checkpoints with solution teams and RAPID.
- Welsh representative within RAPID worked well to get a Welsh perspective early in the gated process.
- Regular meetings between the Environment Agency's National Appraisal Unit and RAPID team members.
- The process around the gated assessment methodology was clearly communicated from RAPID to the Drinking Water Inspectorate team.
- Early submission of draft environmental reports reduced peak workload without undermining the formal gated process.
- Specialist peer review of relevant groundwater models was helpful for solution team and regulators.

### 2.2 The broader gated process

There was mixed feedback about the overall gated process.

There was positive feedback that the RAPID programme provided a consistent and transparent process and that the solutions have progressed further than without the development funding and gated process. Some of the work done by the solution teams has been usefully adopted in the Water Resources Management Plan (WRMP) optioneering process. On balance, there was also feedback from solution teams that questioned the value of the RAPID process as it diverts resources and time from developing projects. We have

taken this feedback onboard in the publication of gate four guidance which streamlines the RAPID process to avoid duplication of work for statutory planning purposes.

Some supply side solutions in WRMPs are due to delivered earlier than the current RAPID solutions. There was feedback that these could benefit from being included in a RAPID programme to ensure effective oversight and consistent solution development. We agree with this statement and are in the process of assessing the suitability of projects to be included in the future RAPID programme.

There was a view that completing assurance processes impacted on the delivery of the design work. We appreciate that design work may slow down when obtaining water company board assurance however, assurance is an essential part of the gated process that provides regulators with confidence in the quality and validity of the work completed by the solution.

It was suggested that a different process for ongoing assessment could be used to avoid the solution teams waiting for final sign-off before progressing to the next development stage. This could provide more schedule and cost clarity for programmes going forward. As noted in our gate one lessons learnt document, there are measures to maintain programme certainty such as allowing spend while decisions are produced and permitting early gate spend for some activities. We maintain this position for future gates.

There was a suggestion for greater use of the national water resource model to establish national need and possible alternative interventions. We agree and are continuing to improve the use of the national water resource model with a report due to be published in 2024.

## **2.3 Alignment of regulator views**

There was mixed feedback on alignment of regulator views. Some of the solution teams found there was less alignment between regulators than expected. It was expected that RAPID would provide common positions on issues and the decision-making responsibilities of the regulators was not always clear. We continue to collaborate as joint regulators recognising that the different regulators have different roles and statutory responsibilities. The diversity of roles is key in shaping the RAPID solutions to ensure best outcomes for customers and the environment. Where regulatory barriers are identified through the gated process, these will be addressed and steps made to resolve through the RAPID regulatory and commercial workstream.

It was also mentioned that there could be benefit from widening the core regulator group to include other stakeholders. There was a suggestion for teams in the wider regulator organisations to be better informed about the purpose of the RAPID gated process and how this fits into the water resources regulation framework. We are currently looking at widening stakeholder engagement to increase awareness of RAPID and involve more key stakeholders in the process.

## **2.4 Alignment with company water resource management plans**

The similar timing of draft WRMP submission with gate two posed challenges to the solution teams and RAPID. A key challenge for the solution teams was the dependency of the solutions on other plans and trying to ensure alignment with the WRMPs, which were being developed and consulted on in parallel with the gate two work. This meant that completing the cumulative assessments was difficult.

There was a suggestion for more consistency in WRMP and regional planning dates with publication of data. From a RAPID perspective there was a challenge of aligning messaging with WRMP consultation responses. However, there was an overall feeling it was beneficial for RAPID engagement leads to have oversight and direct involvement in WRMP assessment.

## **2.5 Assessment and gate two submission processes**

It was suggested that the level of detail required for gate two in terms of calculating utilisation, assessing biodiversity net gain, complying with water framework directive and habitat directive assessment was too high for this stage of solution development. We will be reviewing the guidance and requirements for new solutions entering the RAPID programme and will consult on any changes to the guidance. We will consider how to streamline the gate submission in the future RAPID process while providing necessary oversight to accelerate development of new infrastructure.

There were suggestions of specific improvements to the submission report, for example RAPID should set out the key aspects being assessed and the evidence expected but let the solution teams develop individual report formats within a page limit. We have considered this point but decided that a more consistent format across the solutions is more appropriate and allows for easy comparison of solutions.

For future gates the solution teams thought that it would be good to consider further how the wider benefits are captured, and how the monitoring programme could cover data collection for benefit assessment as well as solution impact. We agree with this and are currently exploring how wider benefits should be represented by solutions.

## **2.6 Regulatory and commercial engagement**

There was positive feedback on the engagement around resolving regulatory and commercial issues, particularly around bulk supply agreements. In terms of future issues to be explored there was a request for guidance around the nature, timing and content of consumer engagement around drinking water quality. We suggest that it will be up to the solution teams to determine what the consumer engagement will look like and when it will be

conducted. This is because timings around consumer engagement will be specific to the solutions and will be dependent on when they will be constructed. DWI has published acceptability framework of principals for consumer engagement in their long-term planning guidance<sup>1</sup>.

There were also requests to consider guidance on firstly, the approach to identifying an acceptable level of risk mitigation for Invasive Non-Native Species transfer associated with raw water transfers and secondly, the approach to monitoring for and mitigating emerging contaminants in the development of solutions. We will continue discussing these topics with solution teams through checkpoints and the All Company Working Group.

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<sup>1</sup> Drinking Water Inspectorate (2022) Guidance Note: [Long term planning for the quality of drinking water supplies](#).



### 3. Improvements since gate one and accelerated gate two

#### Transparency

Concerns were raised by stakeholders regarding transparency. All gate two submissions including annexes were published by the solution owners at the same time as the submission to RAPID. All queries raised by RAPID and the responses from solution owners were also published.

#### Guidance

In response to feedback for early sight of guidance, we have continued to produce timely guidance and consult with the All Company Working Group. We published gate three guidance during summer 2022 and published a revised version in August 2023. Gate four guidance was published in January 2024<sup>2</sup>.

#### Gate timings

In response to feedback that staggering gates would put less pressure on resources and supply chains, RAPID has moved away from fixed gate timings and all solutions presented their gate three and gate four timings as part of their gate two submission.

#### New and continuing solutions


We are currently looking at shaping the next evolution of a RAPID-style programme through PR24. This will accommodate newer solutions and we provided clarity of this in the gate three guidance published in 2022.

#### Funding allowance

In response to feedback that the funding allowance did not represent the balance of work done at each gate we have allowed underspend from gate one and gate two to be carried forward to gate three.

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<sup>2</sup> RAPID (2024) Strategic regional water resource solutions guidance for gate four version 1, [FINAL-Gate-Four-Guidance-published-Jan-24.pdf](https://www.ofwat.gov.uk/~/media/2024/01/24/FINAL-Gate-Four-Guidance-published-Jan-24.pdf) ([ofwat.gov.uk](https://www.ofwat.gov.uk))



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