



WONDERFUL ON TAP



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Dear RAPID,

Minworth Strategic Resource Option Gate 1 Draft Decision Response

We write in response to the Minworth Strategic Resource Option (SRO) gate one draft decision published by RAPID in September 2021. We were delighted to read that that assessment of our Gate 1 paper is good and welcome the opportunity to continue to develop this SRO to Gate 2.

We note that all Gate 1 expenditure has been deemed efficient and that neither Severn Trent Water nor Affinity Water will receive any delivery incentive penalty.

Costs

Section 2.2 of the "*Strategic regional water resource solutions: Standard gate one draft decision for Minworth Effluent Reuse*" reiterates the amount of expenditure published in our Gate 1 submission. As noted in the submission, this included an element of forecasted costs from April onwards. We are pleased to confirm that total Gate 1 expenditure has reduced by approximately 40%. These costs are still subject to finalisation as we are awaiting final Gate 1 invoices.

Recognising there is remaining budget at Gate 1, we have discussed with RAPID the possibility of utilising this underspend for delivery of Gate 2. We are currently forecasting a shortage of budget at Gate 2. Part of redeployed unspent Gate 1 funds will enable us to finance a significant increase in engagement with the NAU to help ensure we can meet our regulators expectations at Gate 2.

The main cause for this reduction is that some planned ecological and water quality monitoring work that was to be started early during gate 1, in preparation for Gate 2, is now being completed in Gate 2. This has allowed us to complete some of this work collaboratively with South Lincolnshire Reservoir SRO. This accounted for 79% of the total reduction in costs. Our in-house program management delivery costs were also lower than forecast, demonstrating the efficiency of our in-house delivery model. We will confirm final Gate 1 costs to RAPID once we receive the final outstanding invoices.



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Quality

Section 2.3 of the draft decision document shows all bar one of the assessment areas for Minworth are rated as 'Good', and an overall score for the SRO as having the same rating. We note that the environment score is rated as 'satisfactory' and would welcome further discussion to make sure we can address your concerns effectively. We will continue to work closely with the Environment Agency and Natural England to ensure that potential risks are addressed and that the programme is successfully delivered.

Actions & Recommendations

We are pleased to note that RAPID have not identified any priority actions for the Minworth SRO and subsequently that no remediation action plan is required.

We have reviewed the actions and recommendations listed in the draft decision and are confident that our planned Gate 2 programme will address these. We note that all of the actions will require collaborative working with other SROs. We have well established approaches to working the two SROs we have potential to supply (Severn to Thames Transfer & Grand Union Canal) and will continue to develop these to ensure actions and recommendations are addressed in a holistic way. We will also seek to collaborate with other SROs interacting with the downstream River Trent where appropriate.

Summary

We would like to take this opportunity to thank RAPID, EA, Ofwat & DWI for your engagement and collaborative working throughout Gate 1 and look forward to working closely with you during Gate 2.

Yours sincerely,

Bob Stear (Severn Trent Water)

Steve Plumb (Affinity Water)