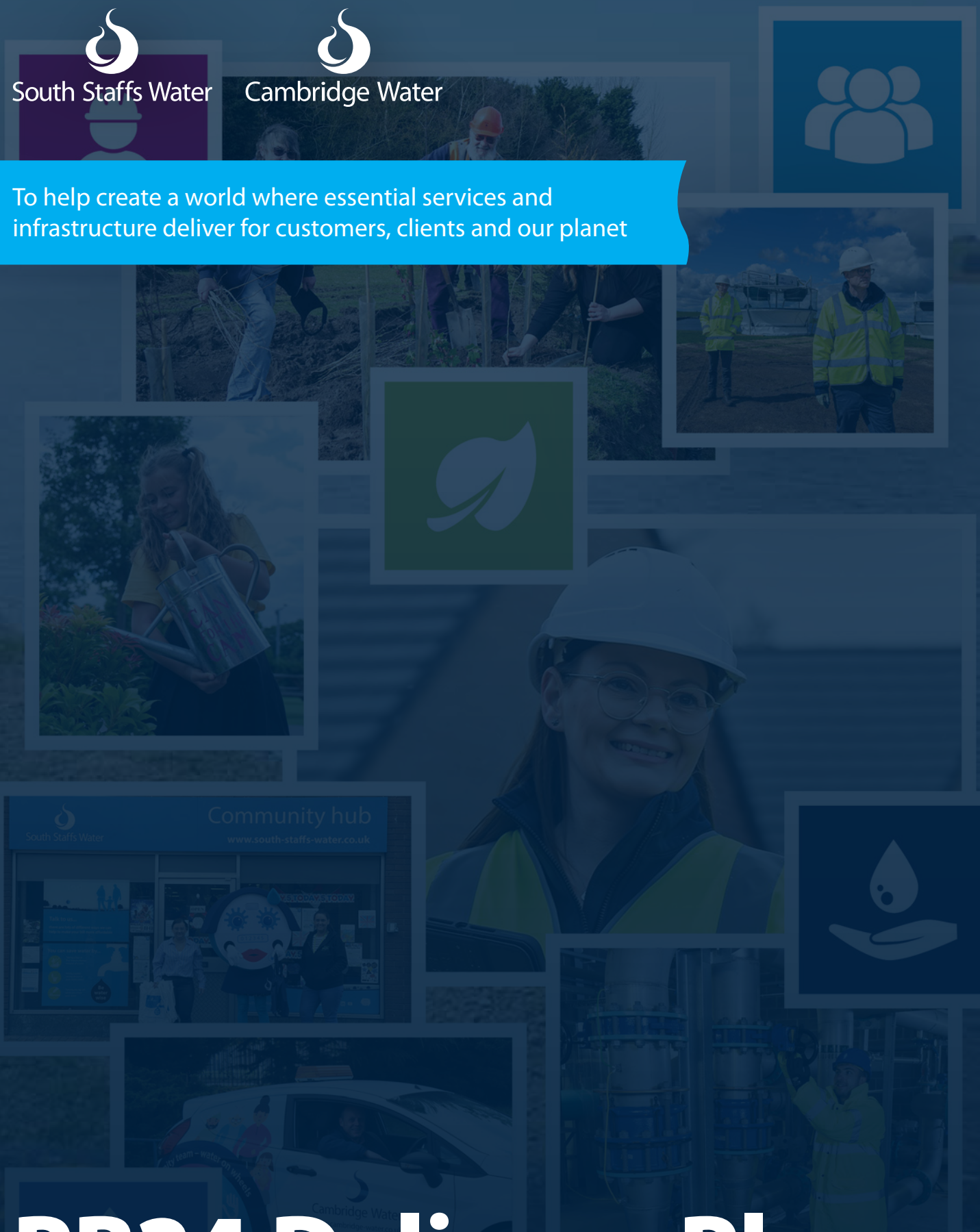
South Staffs Water Cambridge Water

To help create a world where essential services and infrastructure deliver for customers, clients and our planet



PR24 Delivery Plan

August 2025

South Staffordshire Water PLC

Cambridge Water South Staffs Water

Contents

Introduction

Over the 2025-2030 period, we are delivering a wide range of enhancement schemes to benefit the water supply, water quality and resilience of South Staffs Water and Cambridge Water regions.

In total, we are delivering over £160 million of investment, covering critical schemes such as customer metering, water treatment improvements, bulk water transfer, biodiversity improvement, and more.

These schemes will support our supply system in delivering wholesome water supplies to our regions for many decades to come.

In this first performance commitment deliverables (PCD) delivery plan, we set out the delivery milestones and expenditure profiles that we are targeting through the 2025-2030 period (and beyond for some longer term schemes). Either quarterly or biannually (depending on scheme), we will provide a progress update to our regulator, Ofwat, and each year we will publish an updated plan on our website showing the progress we are making against these schemes.

At present this is a regulatory focussed document, however as we make progress on the schemes and begin to report scheme completion, we will also endeavour to include more information for customers, both through the annual delivery plan publication and through the existing annual reporting process, to demonstrate what is being delivered for the investment.

Principles of August 2025 PCD Delivery Plan and Assurance

This delivery plan forms the baseline of delivery in AMP8 against our major enhancement schemes. Predominately, it reflects the delivery profile in the PR24 final determination, which we have committed to deliver in full for the investment allowances provided. Therefore, in the majority of schemes we have accepted the final determination baseline as our initial baseline for this delivery plan. There are some minor changes that occurred between draft and final plan, which we set out in section 2 below.

The forecasts of activity delivery, expenditure and milestone completion provided in this delivery plan are our best estimate at this stage in the delivery cycle. As the 2025-2030 investment cycle has just started, all of our schemes are currently in their initial stages of implementation. Exactly what this means varies by scheme, with more programme oriented schemes, such as metering, getting underway with resource establishment, supplier engagement and mobilisation. And more bespoke asset investment schemes, such as our water quality improvements or resilience schemes, having begun the specification and design processes before being passed through to construction phase.

As we begin to deliver our programme, and pass through delivery milestones such as options appraisal, contract award, and construction, we will ensure that our reporting is updated with the latest information and forecasts. We are closely managing our programme to avoid any slippage, however this is not always possible to avoid and so if it does occur we will ensure we dedicate management resources to getting things back on track as quickly as possible, and reporting on the reasons for any slippage and the actions we are taking to recover.

We have externally assured this first delivery plan and commit to assuring the annual updates by the regulatory timescales required. We will publish the independent assurance reports alongside our PCD plan publication each year.

We have made a robust start to this delivery cycle, getting underway with our year 1 projects and longer term programmes with the resources necessary to deliver, and setting up extensive management processes and internal reporting to monitor programme delivery. We are currently on track to deliver all of our schemes by their respective regulatory deadlines and our third-party independent assurer, Jacobs, has reviewed this with us for this plan submission.

Changes since draft PCD Delivery Plan

In May 2025 we submitted a draft PCD delivery plan to our regulator for comment. There were two specific queries as follows:

- Clarification on our WINEP delivery profile – we have confirmed that our delivery plan is targeting WINEP delivery according to the regulatory timescales on the WINEP tracker. We have updated our delivery plan to demonstrate this is the case.
- Resilience interconnector schemes – in our draft plan we had omitted our resilience interconnector schemes. These have now been included in DPW5 (a table redesign from the draft plan), if meeting the £1 million monetary threshold.

Other changes to our plan have been made since the draft, following the Ofwat workshops, additional guidance and table redesigns that have occurred. These are as follows:

- Inclusion of two 'critical' schemes in table DPW4. These are explained in part 3 of this document.
- Removal of Grafham from DPW1 and DPW2 tables.
- Amendment of the meter connectivity expenditure profile in DPW2.
- Inclusion of resilience interconnector and climate change resilience uplift schemes in table DPW5, if meeting the £1 million monetary threshold.
- Inclusion of the interim milestones for our Langley Reservoir storage upgrade scheme in table DPW3.
- Reworking the interim milestones for new format of table DPW3.

Critical high-profile schemes

We have identified two schemes which meet the criteria for classification as a critical scheme and also meet the granularity requirements for reporting in table DPW4. We will therefore report Grafham transfer and Fenstanton water resource schemes in this table.

Note that, as confirmed by Ofwat, the critical schemes reporting considers only discrete schemes with specific interim milestone reporting, not programmes of work which do not have interim milestone reporting. This therefore automatically excludes our metering programme, WINEP/biodiversity programme, and lead replacement programme.

We considered all discrete schemes across our programme and narrowed down the selection to these two schemes. The table below summarises the selection rationale.

Scheme group	Selection criteria						Comments	Critical scheme for DPW4
	Scale	Timing	Complexity	Growth	Stakeholder	Risks		
Water quality legal instruments	✓	✗	✗	✗	✗	✗	There are eleven individual projects within this group totalling c£31m however each individual project is far less than this. We have delivered schemes of this nature before and there are no growth or external stakeholder implications.	No
Climate change resilience	✗	✗	✗	✗	✗	✗	We have eight individual schemes within this group of which only one is greater than £1m and has been included in DPW5. We are delivering power resilience schemes for this category which is not complex in terms of design and has no wider stakeholder implications.	No
WAFU uplift – Fenstanton	✗	✓	✗	✓	✓	✗	Fenstanton is a small scheme in cost terms however is important to Cambridge region water resource and environmental outcomes.	Yes
Grafham transfer	✓	✓	✗	✓	✓	✓	Grafham is a reasonably large pipeline scheme essential for Cambridge region water resources in the medium term. Pipeline schemes can involve multiple stakeholders and landowners and so have some external delivery risks.	Yes

Supply zone resilience interconnectors	✗	✗	✗	✗	✗	✗	Resilience pipeline interconnectors are important to local resilience against peak demands given demand growth. We have 2 schemes in this group of which one meets the £1 million threshold and is included in DPW5.	No
Reservoir storage upgrade	✗	✗	✗	✓	✗	✗	We are enhancing the storage capacity at our Langley Reservoir site to provide for growth in the region. The scheme is not particularly high cost or complex and has no other stakeholder interest.	No
Cyber security legal instruments	✗	✗	✓	✗	✗	✗	Cyber security is an area of emerging activity and complex IT interactions to engage with. However, it is relatively low cost and does not involve significant stakeholder interest, timing or delivery risk.	No
SEMD legal instruments	✗	✗	✗	✗	✗	✗	Our SEMD programme is primarily physical hardening and site security based, which we have delivered before and there are no significant stakeholder, timing or delivery risks.	No

Delivery risks

Our internal project delivery processes and governance ensure we identify, track and manage risks associated with project and programme delivery. Although we are currently on track to deliver our enhancement programme in line with our Final Determination milestones, AMP8 has some significant investment and is a step up in activity in many areas compared to previous periods. We consider that the three main delivery risks are as follows.

- **Interaction with external stakeholders on the Grafham scheme:** the pipeline is expected to be around 7.5km in length and the route will require liaison with external stakeholders such as rural and urban landowners, local authorities, parish councils and highways. Easements may be required across private land. There is a risk of opposition leading to extended or costly legal work to overcome these issues. We have experience with pipeline construction across public and private land and so we will manage these risks appropriately through a combination of experienced resource on the project team, appropriate legal engagement, local engagement with the public and landowners, and compliance with local authority and highways requirements.

- **Customer aversion to metering installations:** our metering programme is an essential part of our long-term water efficiency strategy, however based on the experience of other companies who have pursued universal programmes we do expect some customers to be averse to having a meter fitted, which could lead to customer contact, complaints, difficulty scheduling work or direct on-site confrontation. We expect this to be a greater risk where we need to do internal meter fits, for example in flats or where there are shared supplies or other external-meter-incompatible conditions for a property. We are designing and implementing a complete customer information and communication package to go alongside our installation programme with dedicated customer liaison resources.

- **Supply chain:** across our wide range of engineering projects and programmes we utilise external supply chains extensively to provide for materials, equipment, and skilled labour essential for timely and cost-effective construction. Disruptions can lead to delays, increased costs, or compromised quality, directly impacting project outcomes. To manage these risks we establish early supplier engagement, robust procurement strategies and ensure we have contracts and close working relationships with our supply chain partners. Internally, strong risk tracking and governance frameworks play a critical role, including maintaining a centralised risk register, with clear ownership and escalation routes, and integrating supply chain risk into overall project and programme governance.

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