



# Anglian Water A-WINEP Stage 1 Submission: Partnership for regeneration and resilience

7 August 2023





By Email only

Ref: AWS/WINEP/040923

Date: 06 September 2023

Darren Rice  
Regulation Director  
Anglian Water Services Limited

Dear Darren,

**Decision on Stage 1 progression of your A-WINEP proposal: Partnership for regeneration and resilience**

Thank you for the Stage 1 submission of your proposal for the Advanced Water Industry National Environment Programme (A-WINEP). The proposal has been reviewed by the Environment Agency (EA), Ofwat, and members of the Advisory Group. As stated in our joint EA/Ofwat A-WINEP letter from 2 September 2022, the final Stage 1 decision has been made by the EA in consultation with Ofwat.

In arriving at the Stage 1 decision, we considered how well you reflected the expectations we outlined in the letter from 2 September 2022, the merits of the case you made and the evidence you presented. We also considered how well you addressed the guidance and feedback we offered to you during Stage 1.

We are pleased to let you know that **we have approved your proposal to progress to business plan submission**, with a potential expenditure for AMP8 of £26.2m. The final expenditure allowances will be set out in Ofwat's PR24 draft and final determinations when they will undertake their full assessment of the expenditure.

There are a few areas of your A-WINEP that we would like further clarification on, however these are not material enough to merit rejection of your proposal. We will look to hold a follow up meeting with you in early November 2023 to discuss and seek this clarification, covering:

- why the proposed Price Control Deliverable (PCD) only covers the grant element of the proposal (which accounts for 43% of the total value); and
- what external scrutiny/assurance (and therefore customer protection) you plan for the Centre of Excellence.

Regarding your PCD proposal and in line with Ofwat's further PCD guidance (July 2023), we ask that you provide further details in your business plan submission, including:

- the outputs or outcomes you will deliver as part of the scheme for each year of the control period;
- how these outputs or outcomes will be measured and reported;
- the PCD unit rate that will apply to any unit of output or outcome that is not delivered by the end of the control period;
- where relevant, the incremental impact of the scheme output or outcome on performance in relation to performance commitments; and
- how the Centre of Excellence could be covered as part of a PCD (where the investment meets the materiality criteria set out in Ofwat's further PCD guidance).

Please also note that PCDs are intended to be used as a tool to encourage timely delivery of the funded enhancements. Ofwat do not intend to use PCDs as an additional mechanism to fund enhancement investments, e.g., through outperformance payments.

Your A-WINEP has the potential to achieve more for the environment and customers – and provide valuable learnings for the wider industry – than your standard WINEP programme would otherwise be able to do. Thank you for your positive approach and embracing the spirit of collaboration.

We look forward to working with you as the project develops to Stage 2.

Yours sincerely



Anne Dacey  
Deputy Director, Operations Catchment Services

creating a better place  
for people and wildlife



cc

Richard Thompson - Deputy Director, Water Management & Investment,  
Environment Agency

Harry Armstrong - Director, Regulatory Policy, Ofwat

Leigh Edlin - Area Director Lincolnshire and Northamptonshire, Environment Agency

Victoria Williams - Water Company Account Manager, Operations Catchment  
Services, Environment Agency

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## Foreword



We are led by our Purpose: “to bring environmental and social prosperity to the region we serve”.

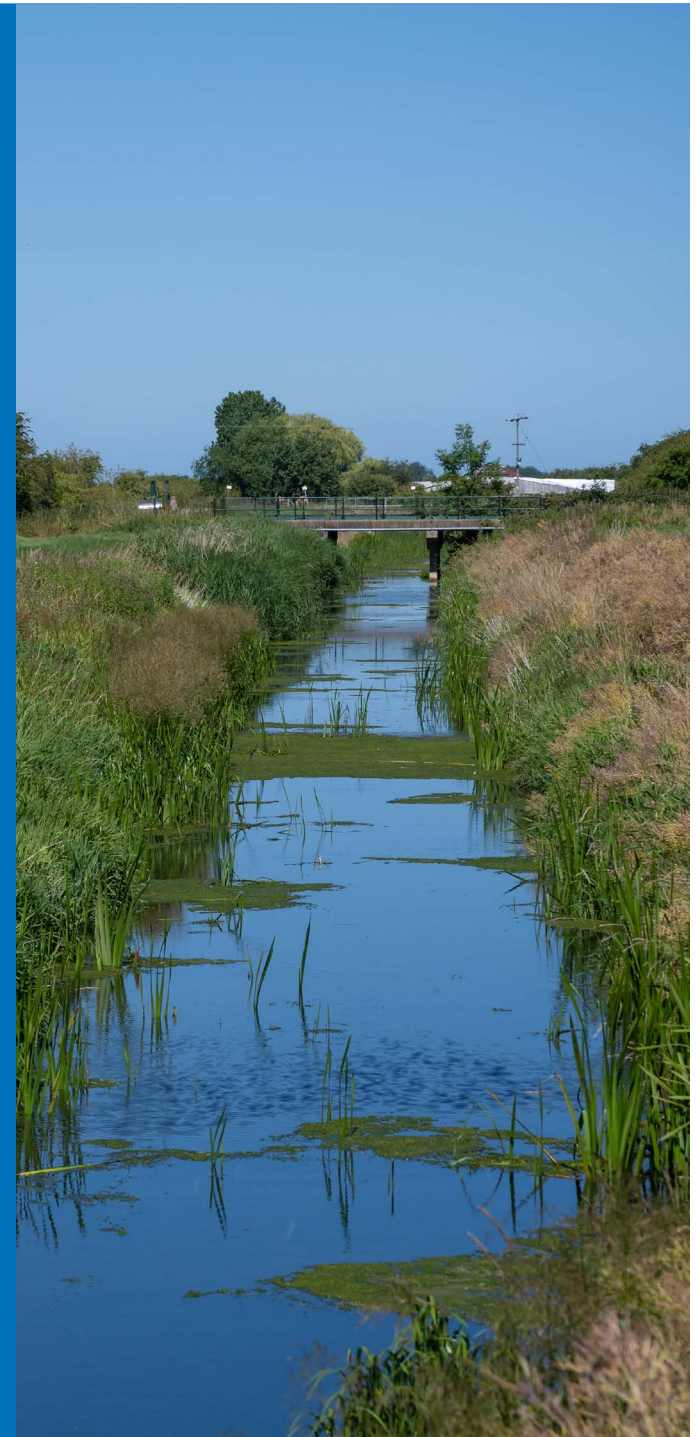
Our long term vision is that we enhance the environment, so that it is in a better state in 2050 compared to today, despite the impacts of climate change. We know that to become the company we need to be to realise that vision, we have to do things differently now. We believe a system-wide approach that is designed to deliver multiple benefits and draws on everyone’s efforts, expertise and investment will deliver more than if we continue to work separately. We are already working with local government, businesses, landowners and customers to define a collective vision for our regional environment and we will need to continue to work together to understand the best ways to deliver this vision.

**Our A-WINEP proposal will ramp up partnership capacity in our region, building skills and delivering environmental improvements as well as informing the evidence base for partnership working and wider investment in nature based solutions.**

Our proposal is well-placed for success, building on our successful partnerships with Water Resources East, the Norfolk Water Strategy, the Rivers Trusts and our flood partnerships work over the last two AMPs.

The Government’s Plan for Water demands an integrated approach to water management; our A-WINEP offers a way to deliver it.

**Robin Price – Director of Quality and Environment**



# 1. Executive summary

## Why we need a different approach to environmental improvement

Catchment stakeholders face challenges that have multiple complex causes and cannot be solved alone. By working in partnership, we can effectively deliver innovative and transformative solutions that improve outcomes for both the environment and communities. Our proposal will identify and resolve barriers to partnership working and deliver nature-based solutions at a larger scale than before, enabling both wider environmental and social outcomes and increasing confidence in the approach to inform future WINEP development.

## The opportunity

Recent insight from the Norfolk Water Strategy suggests that partnership delivery of nature-based solutions has a potential market value of £12-24m per year, in Norfolk alone, with an additional £4m of biodiversity net gain, and wider water resource value from 5-12% potential gains in base river flows. Alongside other private, public and philanthropic interest, this suggests that there is a strong opportunity for co-funded A-WINEP delivery of wider outcomes in AMP8 (2025-30).

## Our Advanced WINEP (A-WINEP) proposal

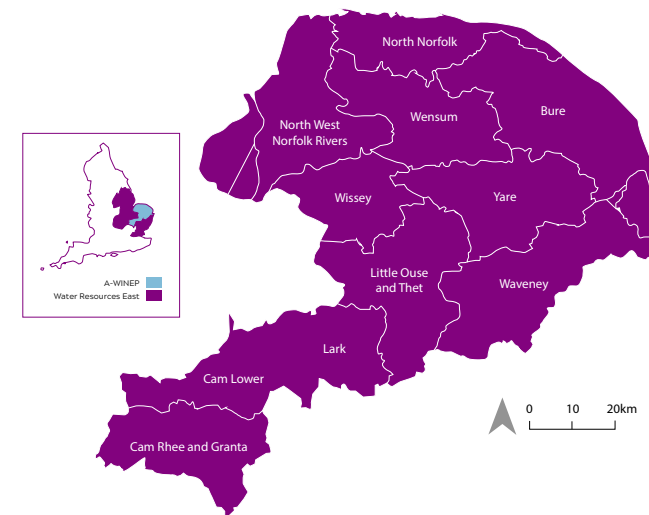
We will create a Partnership Centre of Excellence that brings together stakeholders including the water industry, NGOs, and local government to deliver improvements in river and coastal waters through nature-first solutions. We propose investing £26.2 million in project development, design, and installation, and for staffing, training, stakeholder engagement, and grant funding. This will enable the exploration of wider environmental outcomes at scale, in catchments where we are already investing significantly in traditional WINEP measures (including nutrient removal, overflow reduction, and biodiversity/habitat improvement). A-WINEP will compliment these existing WINEP commitments, without compromising our statutory commitments.

Through working in partnership, we expect to generate £2.33 for every £1 spent, through an ambitious target of 70% partnership funding across target catchments in Norfolk, Suffolk (Lark), Cambridge (Cam), and Southend. Our ambition is to establish best practice for partnership working across the water industry, for wider implementation in AMP9 and beyond.

## Our A-WINEP commitments

- **We will deliver all statutory WINEP obligations**, including Environment Act targets for nutrients and overflows.
- **We will explore how we can go further and deliver more for the environment**, by working in partnership around our WINEP challenges.
- **We will maximise partnership contributions** to deliver wider environmental and social outcomes that are of value to both our customers and partners
- **We will be accountable for delivering value to customers**, through an ambitious target of 70% partnership contributions.
- **Customers will only pay for benefits beyond statutory requirements where they are willing to do so** (as indicated through customer engagement).
- **We will protect customers if we do not deliver through a proposed PCD** (Price Control Deliverable) for the grant fund, and external assurance for the Centre of Excellence.
- **We will share our results, whether successful or not**, across the water sector and our partners, to inform future WINEP and Price Review planning. This will include assessments of the costs of establishing partnerships and ways of measuring outcomes for all partners.

## Anglian Water A-WINEP region of interest



## Our additional goals for A-WINEP

- Contribute to design of future WINEP planning cycles, and increase investment efficiency through large-scale implementation of partnership and catchment approaches. The timing of project outputs will aim as far as practicable to inform PR29 development.
- Develop a blueprint for partnership working that describes what good looks like and addresses barriers to collaborative working and co-funding.
- Contribute to addressing barriers to uptake of nature-based solutions, by sharing data on effectiveness and helping to establish a market for them that blends private and public finance (including delivery of SuDS through larger scale proof of concept).
- Collaboratively define and align catchment outcomes with financial markets and beneficiaries.



# Why do we need an A-WINEP?

Experience shows that setting up and maintaining strategic partnerships can be challenging without a consistent resource to support the development of projects and alignment of funding streams.

Often partnerships lose momentum or become reactive to short-term funding opportunities, limiting the full benefits that could be achieved. Taking a longer-term approach will help to navigate this challenge, whilst providing a natural transition between PR24 and PR29.

The existing regulatory framework limits this type of approach. Short term obligation deadlines encourage the use of traditional grey solutions. However, allowing more time to shape partnerships and encourage more sustainable approaches can lead to more nature-based solutions being delivered, with the associated greater range of benefits.



## Partnerships Approach

Anglian Water's A-WINEP will provide resources that enable the continuation and expansion of partnership leadership in the Norfolk and Southend area.

The ultimate aspiration is that this would inform thinking across the sector for PR29, become a business as usual approach across the Anglian Water region from 2030, and fully embedded by 2035.

## Funding Action

The grant fund would enable partnership quick-wins to be actioned, building trust and demonstrating the art of the possible with tangible delivery.

Greater understanding of the full range of potential benefits would be expected through this funding, with projects forming exemplars for shared learning across the industry.

|  | Traditional approach   | A-WINEP  | Wider benefits  | Additional cost | Anticipated additional benefit value   |
|--|--|--|---|-----------------|--|
| <p><b>Catchment Regeneration</b></p> <p>Action to restore and enhance river catchment through nature-based solutions and land management.</p>  | <p>Nutrient removal only at numeric WRCs to achieve Anglian Water's fair share of the Environment Act target.</p> <p>River restoration delivered through standard contractors on target river stretches.</p>         | <p>Nutrient removal across the whole catchment, supporting all sectors to achieve environmental targets through existing and emerging nutrient markets.</p> <p>Wider catchment improvement through increased efficiency and partnership funding, delivering wider biodiversity and social benefit.</p> | <p>Increased km enhanced.</p> <p>Local waterbodies improved.</p> <p>Good ecological status.</p> <p>Reduced soil loss.</p> <p>Biodiversity gain.</p> <p>Recreation.</p> <p>Amenity.</p>                          | <p>£26.2m</p>   | <p>£15-30m – water quality benefit from expansion of river restoration delivery (based on 50%-100% increase of traditional WINEP)</p> <p>£18m – water quality benefit from land-use interventions (based on 5% uptake across catchments)</p> <p>£10m – biodiversity net gain (based on 70% contribution to existing net gain expectations)</p> |
| <p><b>Urban Regeneration</b></p> <p>Surface Water Management.</p> <p>Action to retrofit green infrastructure, such as sustainable drainage systems, to reduce the impact of storm overflows and reduce flood risk across two urban catchments – Great Yarmouth and Southend.</p> | <p>Grey, end of pipe solutions primarily benefiting Anglian Water infrastructure and delivering specific outputs at target storm overflows.</p> <p>No additional benefits to the wider community or environment.</p> | <p>Catchment-wide green solutions delivering overflow reduction target delivered through partnership funded approaches.</p> <p>Delivered over 10 years we will meet our storm overflow targets whilst delivering a wide range of benefits for the community.</p>                                       | <p>Wider air quality, biodiversity, recreation, amenity and education benefit, as well as additional downstream flood risk reduction.</p> <p>Additional benefits to be measured – e.g. using the BEST tool.</p> |                 | <p>£5-10m – water quality benefit (based on additional overflow spill reduction)</p> <p>£13.5m – biodiversity net gain (based on additional biodiversity units from SuDS)</p> <p>£1-50m – wider amenity, recreation and flood risk (range due to benefit uncertainty)</p>  |

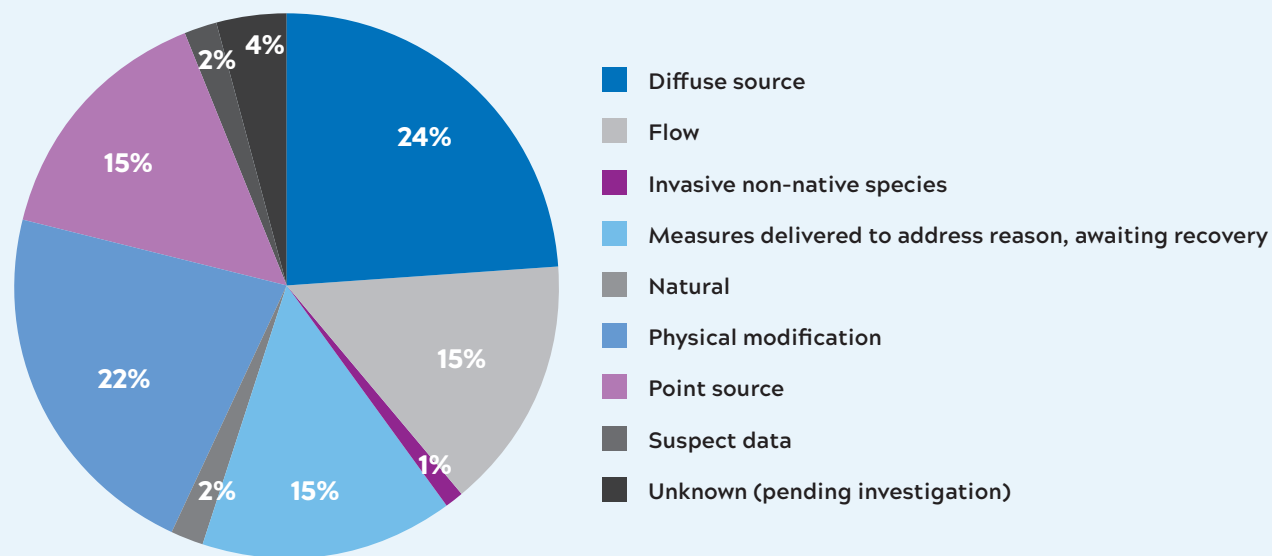
## Environmental need

Common challenges affect natural (river catchments) across the A-WINEP target area, with Point Source, Diffuse Source, Physical Modification, and Flow making up more than 75% of the cause. Through the significant WINEP investment forecast in AMP8 and AMP9, we anticipate that a large proportion of Point Source and Flow challenges will be resolved; however there's currently no coordinated action to resolve Diffuse Source and Physical Modification challenges.

To achieve an outcome of healthy functioning and connected ecosystems, a holistic approach to all environmental challenges is required. We risk investing significantly in the environment through WINEP to resolve only part of the problem (e.g. nutrient fair share removal). Although this will undoubtedly deliver environmental gain, it won't achieve our overarching ambition. Furthermore, regulatory reporting of ecological status is not always representative of the needs of the local environments within a catchment (e.g. headwaters or smaller tributaries), meaning that the traditional WINEP approach can disincentivise investment in these areas. A-WINEP will allow us to build on traditional WINEP delivery and develop a programme of work targeting wider environmental gain around point and diffuse source challenges alongside morphological and habitat enhancements that deliver value to local communities.

We also maintain the desire to translate ecological status into meaningful outcomes for catchment stakeholders and financial markets willing to pay for these services.

### Reasons for not achieving Good in A-WINEP target area





## 2. Action description

### Our A-WINEP Vision

A-WINEP is our opportunity to provide consistency to collaborative environmental delivery, facilitating a long-term partnership approach to enable the delivery of wider environmental gain and social prosperity in our catchments - natural and urban. As a 10-year investment in partnership development and delivery, it will provide the template for a different way of working for the sector, becoming the standard approach to WINEP investment planning from PR29 and beyond.

Our A-WINEP will be reflected in our Long-Term Delivery Strategy (LTDS). It supports an adaptive approach by trialling a new way of delivering environmental objectives that spreads the cost to customers over ten years instead of five and aims to reduce the need for investment in future AMPs. It includes trigger points for switching to more traditional delivery if a catchment and partnership approach is not successful – see Staged Assurance Plan. We see significant opportunities from technology scenarios (e.g. catchment digital twin; concept in development in A-WINEP area).

This proposal aims to be truly outcomes-focused, asking how we can push delivery of environmental outcomes beyond investments at our assets in an affordable and best-value way for our customers. Ultimately, we want to create natural and urban catchments that enable environmental and social prosperity for our customers, aligned with the strategic ambitions of nature recovery strategies and national environmental objectives. This includes achieving good ecological status and creating thriving ecosystems in our most valuable habitats (e.g. chalk streams).

A-WINEP will allow us to explore land management change across catchments, delivering water quality, flood, natural processes, biodiversity, recreation, amenity benefits (and many more) at a scale relevant to our customers and stakeholders. Our target will be to better quantify these and understand the market-readiness for such benefits generation.

**Our proposal is directly aligned with all Ofwat's public value principles. We are a purpose-led company. Our decision making is already based on a Best Value framework that assesses impact across six capitals and all A-WINEP projects will target wider environmental and social value. We are building on two areas of strong past performance: successfully leveraging partnership funding for environmental improvement, and flood prevention.**



**We will invest £26.2m of customer money to unlock additional external match funding and deliver wider environmental and social outcomes through two workstreams:**

### 1. Partnership Centre of Excellence



We will create a Partnership Centre of Excellence that brings together stakeholders including the water industry, NGOs, and local government to deliver improvements in river and coastal waters through nature first solutions.

This will help to resolve barriers to partnership working and deliver partnership solutions at a larger scale than before to enable both wider environmental and social outcomes and to increase confidence in the approach to inform future WINEP development.

### 2. Partnership Grant Fund



We will also explore where wider environmental outcomes can be delivered outright, through a partnerships grant fund.

This will be available to support emerging partnership opportunities within target catchments, maximising value to customers and the environment.

The grant fund will be managed in accordance with the principles developed as part of Anglian Water's Get River Positive programme.

# Partnership Centre of Excellence

We will build on our work with the Rivers Trust, the Norfolk Water Strategy Programme, the Norfolk Strategic Flooding Alliance and Local Authorities to create a Partnership Centre of Excellence. This will include both Anglian Water and partner personnel and will deliver:

- Partner engagement and relationship building, through strategic partnership development, land manager and agricultural engagement and volunteer co-ordination.
- Funding mechanism development, building on the Norfolk Water Fund.
- Options development, building on work with the Rivers Trust, Norfolk Water Strategy Programme, and our Ofwat Innovation Fund Enabling Water Smart Communities, including wider benefits assessment and monitoring, catchment project development and detailed project design.
- Administration of the A-WINEP grant fund, ensuring that projects are aligned with set criteria around partnership involvement, match funding, and outcomes delivery.
- Enhanced partnership delivery capability building on our Rivers Trust Strategic Partnership through upskilling of delivery routes, nature-based solutions (NbS) delivery and design training, SuDS training, increasing delivery capacity and developing partnership governance frameworks.
- Media, education and communication, including workshops and outreach.

We are already working with partners to identify potential interventions and map these to A-WINEP priorities.

**We have set up a strategic partnership with The Rivers Trust** across our whole region which has developed an East of England Hub to bring together projects and partners.

**Through this, workshops were conducted across 12 CaBA catchments across more than 75 groups and organisations. To date, 128 projects or opportunities have been uploaded to the Hub. 30 projects have been identified within the A-WINEP Catchments.**

Our next step is to screen these opportunities to produce a shortlist linked to Anglian Water investment drivers. This work will continue through the rest of AMP7 and beyond to inform A-WINEP project selection.

**We have co-funded the Norfolk Water Strategy Programme**, which has identified the specific challenges in Norfolk, the role for nature-based solutions in addressing them, and the funding challenges and opportunities involved. By September 2023, the Programme will deliver a Norfolk Water Fund to facilitate markets in NbS for water resources and nutrient neutrality. This will inform development of A-WINEP nutrient and habitat projects, through:

- NbS modelling and portfolio building – Demonstrating the benefits of investable NbS interventions for Nutrient Neutrality and Water Resources and co-benefits, most notably Biodiversity Net Gain.
- Business case for NbS – Demonstrating costs and benefits (monetised where possible) for a portfolio of NbS interventions at scheme and portfolio scale.
- Understanding the nutrient credit market in the Norfolk Broads, where project readiness (project development) has been identified as a significant limiting factor in accessing emerging markets for ecosystem services/environmental outcomes.

We are also in discussion with the National Trust and the government estate to identify shared outcomes and geographies and we have had early discussion with local authorities in the surface water management catchments of Great Yarmouth and Southend.

**Through A-WINEP, our ambition is to leverage 70% partnership funding against a 30% contribution from Anglian Water. Experience and evidence shows us that our ambition is stretching but achievable:**

Norfolk Water Strategy Programme

**95% partnership funding**

Get River Positive programme (confirmed)

**70% partnership funding**

Get River Positive programme (committed)

**77% partnership funding**

Flooding partnership funding programme

**~ 65% partnership funding**

e.g. Southend City Beach

**85% partnership funding**

Catchment management

**65% partnership funding**

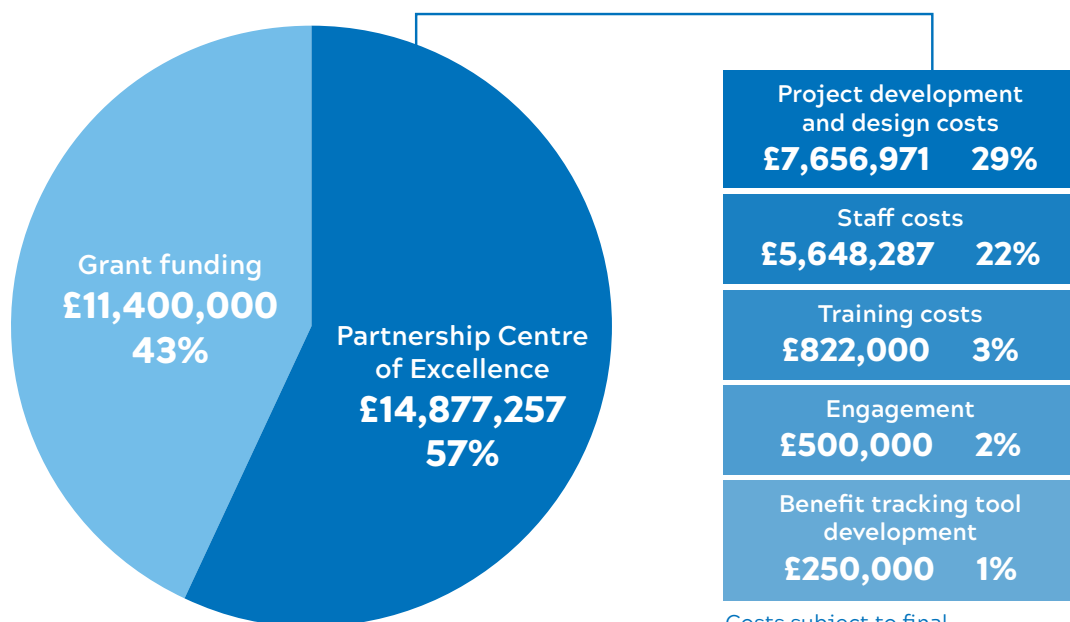


# Resourcing the Partnership Centre of Excellence

**£14.87m has been allocated to the Partnership Centre of Excellence**, with costs broken down as shown below. We are committed to exploring the best way to deliver this approach, for example whether a hosted programme or through a dedicated vehicle with its own legal entity, such as a company limited by guarantee comprised of partners alongside Anglian Water.

Our current understanding is that it's difficult for both Anglian Water and the Environment Agency to take part in certain kinds of dedicated vehicles, so in Stage 2 we'll explore potential governance options alongside partners to identify the best structure and host organisations for this work. Governance will be established to ensure:

- There are three lines of defence around funding assurance, including programme level, Director level, and external visibility and reporting.
- Partnership agreements provide visibility and security around funding contributions and delivery expectations, both for AMP8 delivery and PR29 planning purposes.
- Delegation of funding decision making and grant criteria is transparent and in place to support grant administration.
- Roles and responsibilities between organisations is well defined across all elements of partnership working.
- Risk management activities associated with the exploration of partnership opportunities are appropriately managed (see Risk section below).



Costs subject to final business plan submission

## What Does Good Look Like?

- Formal structure – demonstrating engaged, informed, and committed partners, with control of investment shared with partners
- Detailed project development and financing strategies
- Market assessment and confidence in funding contributions
- Exploration of innovative delivery frameworks

## Benefits of partnership working

There is general acceptance that there is inherent value in working in partnership, and that co-delivery provides an opportunity to deliver more efficiently and achieve wider outcomes. Despite this, it remains difficult to assign a financial value and therefore demonstrate the cost-benefit of facilitating partnership structures.

Our experience of delivering flood risk management in partnership with a range of stakeholders, demonstrates that savings can be achieved by working collaboratively, delivering more for less. We have been able to achieve wider benefits for the environment and communities, whilst investing less than would otherwise be needed. For example, during Year 3 of AMP7, we contributed £1.46m towards co-funded schemes that reduce the risk of flooding to our customers, whilst our partners contributed £3.10m. Through this collaborative approach we were able to deliver £5.29m of benefits, as measured through our six capitals approach.

# Our approach to Grant Funding



The A-WINEP Partnership Grant Fund will build on our experience of delivering similar grant schemes, such as the Get River Positive grant, Flood Partnership fund, Flourishing Environment fund, and Catchment Management grant. On average, these schemes leverage 60-65% partnership contributions, within a wide range depending on the scheme, circumstances, and risk. With this in mind, we have set an ambitious target of leveraging on average 70% partnership funding towards schemes delivered as part of our A-WINEP. We will establish a project review board and establish the criteria for assessment. This will include an expectation of at least 50% match funding and delivery of wider environmental benefit. With partners, we will develop a common methodology for benefits assessment, based on Wider Environment Outcome (WEO) metrics, water company value metrics, and other assessment tools (e.g. BEST). The A-WINEP Grant will allocate £1 million per target catchment in Norfolk, Lark and Cam, and a further £200,000 for the surface water catchments of Southend and Great Yarmouth.

## The outcomes of the A-WINEP grant scheme will be:

- Funded delivery of partnership projects
- Quantified assessment of wider benefits
- Detailed understanding of financial markets for NbS
- Applicability assessment of project within PR29 landscape.

Applications to the grant will go to an expert review panel, whose role it is to assess the wider value of the partnership project proposal and ensure value for money.

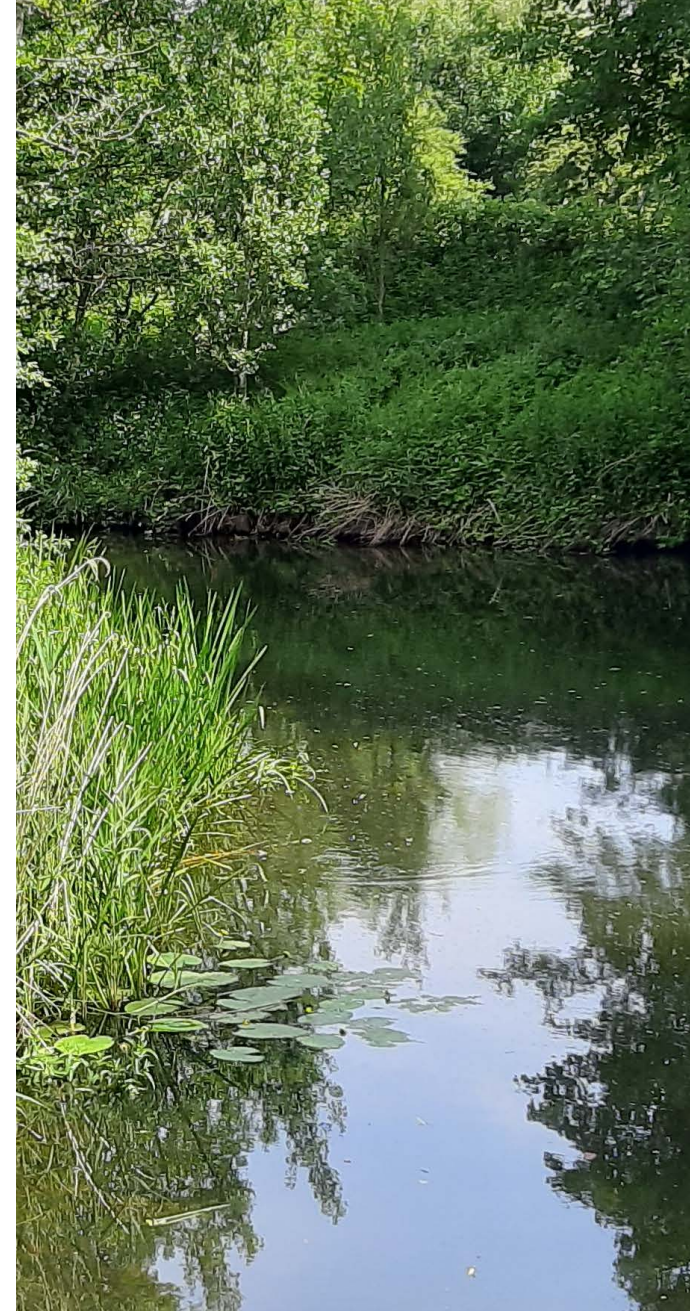
## Learning From Get River Positive

Our A-WINEP Partnership Grant Fund will build on our Get River Positive scheme. Get River Positive funding was donated by Anglian Water owners in place of taking dividends to enable immediate, innovative and transformative action to improve river health. This flexibility enables us to demonstrate leadership and support action that is needed and can leverage in other sources of funding. It allows us to target interventions in areas of high need from an ecological and social perspective that may not reach thresholds for traditional WINEP funding.

The project has governance structures in place to manage and monitor the initiatives underway including an internal review panel and an external expert scrutiny panel.

Get River Positive projects underway showcase the tangible ways we are playing our part while working in partnership to enhance river health. Projects being supported include: a full chalk stream restoration, habitat research for species reintroduction, a secondment to The Rivers Trust, rewetting of floodplains, peat restoration and working with Microsoft on the creation of an ecological digital twin on a chalk stream to improve understanding, inform strategic decision making and increase wider awareness.

**In just 18 months, Get River Positive has committed £2m of funding on these and other areas with an additional £4m of match funding secured from partners such as local authorities, corporate partners, regulators and eNGOs.**





# A-WINEP costs and benefits

## Cost breakdown (high level)

| Account Types  | Percentage | Totals        | Year 1       | Year 2       | Year 3       | Year 4       | Year 5       |
|--|------------|---------------|--------------|--------------|--------------|--------------|--------------|
| <b>AT-Capital Cost</b>                               |            | 19,806,971.00 | 3,961,394.20 | 3,961,394.20 | 3,961,394.20 | 3,961,394.20 | 3,961,394.20 |
| <b>CAPEX</b>   | 100.00%    | 19,806,971.00 | 3,961,394.20 | 3,961,394.20 | 3,961,394.20 | 3,961,394.20 | 3,961,394.20 |
| <b>C01 - Studies / Models</b>                        | 4.32%      | 856,450.00    | 171,290.00   | 171,290.00   | 171,290.00   | 171,290.00   | 171,290.00   |
| <b>C08 - Other</b>                                   | 95.68%     | 18,950,521.00 | 3,790,104.20 | 3,790,104.20 | 3,790,104.20 | 3,790,104.20 | 3,790,104.20 |
| <b>AT-Operating and Maintenance Cost (RICS)</b>      |            | 5,648,286.8   | 1,129,657.36 | 1,129,657.36 | 1,129,657.36 | 1,129,657.36 | 1,129,657.36 |
| <b>OPEX (RICS)</b>                                   | 100.00%    | 5,648,286.8   | 1,129,657.36 | 1,129,657.36 | 1,129,657.36 | 1,129,657.36 | 1,129,657.36 |
| <b>AT-Operating and Maintenance Cost (Wholesale)</b> |            | 822,000.00    | 164,400.00   | 164,400.00   | 164,400.00   | 164,400.00   | 164,400.00   |
| <b>OPEX (Wholesale)</b>                              | 100.00%    | 822,000.00    | 164,400.00   | 164,400.00   | 164,400.00   | 164,400.00   | 164,400.00   |

## Cost breakdown (detailed)

| Title  | Value (£)  | Description   |
|--|------------|---|
| <b>Partnership Centre of Excellence</b>                      |            |   |
| <b>Employed by Anglian Water</b>                             |            |   |
| <b>Operating and Maintenance Cost (RICS) (£) single year</b> |            |   |
| Band 4 - AMP8 - Strategic Leader                             | 159,461.12 | 1 x strategic catchment leader for A-WINEP  |
| Band 4 - AMP8 - Principal Specialist                         | 318,922.24 | 2 x project managers for A-WINEP (1 for SWM, 1 for nutrient and habitats catchments)  |
| Band 3 - AMP8 - Specialist                                   | 266,955    | 3 full time staff) 3 x 37 hours per week for 52 weeks. This is for external engagement managers to support the Partnership Centre of Excellence   |
| Band 3 - AMP8 - Subject Matter Expert                        | 133,025.36 | 2 x Agricultural engagement advisor   |
| Band 3 - AMP8 - Team Contributor                             | 162,308.64 | For Caister and Southend catchments to deliver the educational and volunteers programmes. 2x education team members and 1 x volunteer co-ordinator. All full-time staff = 3 x 37 hours per week x 52 weeks          |
| <b>Employed and distributed by Partners</b>                  |            |   |
| <b>Capital Cost (£) 5 year profile</b>                       |            |   |
| Project development  | 2,050,521  | Getting Projects shelf ready. Catchment restoration planning. Assume this happens in first 3 years of AMP8 only. £62.137k per catchment per year (for 11 catchments). Work done by NGOs, paid for by Anglian Water. |
| Detailed project design                                      | 5,500,000  | 500k per catchments for 11 catchments   |

| Operating and Maintenance Cost (RICS) (£) single year         |            |  |
|---|------------|--|
| Band 3 - AMP8 - Specialist                                    | 88,985     | Specialist technical advice  |
| Operating and Maintenance Cost (Wholesale) 5 year profile (£) |            |  |
| Training for SuDS delivery                                    | 380,000    | Work with local colleges to set up training for SuDS delivery to create local delivery routes and skilled employment opportunities within Southend and Great Yarmouth (Caister) catchments. Assume 4 x 9 week training programme for 12 people including wages, training materials, courses, certificates etc (£280k). Plus 4 x Sponsorship of existing college courses including bursaries, driving lesson support, PPE and travel = £100k total. |
| Business Case Expert<br>Supporting upskilling of NGOs         | 442,000    | Supporting upskilling of NGOs to become delivery routes<br>3 years' Anglian Water support to support the delivery of partnership objectives and ambitions.<br>This will cover NGO and Anglian Water staff time committed to support the delivery of above workstreams.   |
| Other costs (capital 5 year profile)                          |            |  |
| Engagement campaign   | 500,000    | 2 engagement campaigns to attract co-funding and customer support.<br>Estimate at £250k per catchment for Southend and Caister.  |
| CAS surveys and GIS layer creation                            | 106,450    | CAS surveys to include a 3rd catchment (in case either Southend or Caister are not supported by partners) to understand surface water connections across catchment so opportunities for surface water removal / attenuation can identified to confirmed if schemes are viable.   |
| Benefits tracking tool  | 250,000    | Creation of tool to monitor benefits for catchments (specifically for wider environmental and social benefits)<br>£50k per year  |
| Direct Grants and contributions to projects                   | 11,400,000 | Fund linked partnership schemes (i.e. remove flow from a surface water system) in Caister (£200k) and Southend (£200k) (in addition to the WINEP funding already identified) plus direct grants to deliver environmental benefits in the 11 other named catchments (£1000k per project per catchment)-   |

All costs have been benchmarked and assured through our standard asset investment planning processes, with additional information available to support this application if required.

### Delivering Environmental Benefit Through A-WINEP

Our A-WINEP approach will enable a programme of urban regeneration and catchment regeneration to be delivered in the target catchments. An example catchment for each of these approaches is presented in section six, showing the comparison between traditional and A-WINEP approaches. Where possible, benefits have been quantified using Wider Environmental Outcome metrics for both approaches, with estimates provided in section one (A-WINEP need) where projects remain to be defined (e.g. those projects to be delivered through the grant). We remain committed to additional quantification of benefits throughout the A-WINEP delivery to better quantify the value that projects are providing, and expect this to be a primary outcome of the approach.



## Strategic catchment planning and regeneration

A-WINEP will allow the exploration of nature-based solutions (NBS) as part of wider catchment regeneration, increasing the flexibility of opportunity realisation through a partnerships approach. In addition, we will promote a programme of entirely green solutions in urban regeneration catchments, whilst learning from complementary innovation projects aiming to understand the barriers to mainstreaming NBS solutions, and integrate outcomes into our A-WINEP approach. We have experience supporting the development and delivery of landscape-scale interventions through existing relationships as part of Get River Positive. The River Stiffkey whole-catchment restoration is a great example of what can be achieved when working in this way, and we intend to adopt this approach through our ongoing chalk flagship restoration work in the River Lark. Both of these catchments are within the A-WINEP area, and therefore provide a platform to build upon, generating momentum ahead of the start of AMP8. We anticipate a programme of catchment partnership engagement and project development to enable the production of catchment restoration strategies with shovel-ready projects available for grant funding.

### **Our aim would be to develop a catchment restoration plan for each of the 11 priority catchments in the A-WINEP area, outlining a strategic long-term approach to collaborative environmental delivery.**

We will adopt tools such as systematic conservation planning (for which a baseline assessment has already been undertaken) to develop and deliver effective engagement and project development planning with partner organisations, developing ways of working, governance structures, and finance mechanisms in the process. Local nature recovery strategies will be aligned with other strategic catchment objectives at the very start of the process, so that all projects are aligned with an overarching vision and outcome in mind. The A-WINEP grant fund will be used to facilitate early delivery of identified projects and demonstrate the wider benefits that can be achieved. Whilst the specific projects have not been identified at this stage (as project development will be part of the catchment-wide approach), early engagement with catchment partnerships through our strategic relationship with

The Rivers Trust and East of England Planning Hub has identified a substantial amount of interest and opportunity. Typical project interest includes working with landowners to promote land-use change to reduce diffuse pollution pressure and enhance/restore habitat, connectivity, and natural functions within rivers and adjacent riparian area. We will integrate experience from our recent catchment management work into our A-WINEP approach. A critical learning from previous grant schemes has been that sustainable solutions involve sympathetic adaptation of long-term practice while keeping the farm business economically viable in the short term. The concept of regenerative farming has been popularised as a commercially (and socially) acceptable land management practice with over 50% of landowners currently considering. The benefits of this approach for farm businesses and the environment are being increasingly reported, including soil health

#### **Diffuse pollution opportunity in A-WINEP target area:**

- Traditional WINEP only resolves Anglian Water's fair share of nutrient challenges, meaning catchment outcomes are not achieved.
- SAGIS modelling predicts that a 20% reduction in diffuse pollution would improve an additional 106km of river to good status.
- The benefits would be further extended to 218km of river at good status through a 40% reduction in diffuse pollution (EnvAct target).
- This would generate a potential whole-life benefit value of £90-180m (WEO water quality improvement) across the A-WINEP catchments, before considering wider benefits delivered.

Whilst we recognise that these benefits are unlikely to be fully realised with AMP8, A-WINEP will support the exploration of blended finance models to support catchment action and the realisation of such benefits (with the anticipation that a 5-8% reduction in diffuse pollution is an achievable target).

## Proposed incentives

For the grant element we would commit to returning funding to customers if we are not able to find partnership funding opportunities to the level that we expect. Our ambition in this area is to target 70% partnership funding, so we would initially expect to identify a reasonable percentage per scheme (50%), as a minimum to ensure we are making good-value grants. This will be monitored across the AMP and measured to ensure an increasing level of partner contribution is achieved (providing the necessary independent assurance on our performance against these criteria). We continue to consider the value of ensuring that specific PDCs are symmetric to offer both customer protection and additional incentives to outperform stretching targets. For the Centre of Excellence, we will commit to provide outside scrutiny and oversight of budget spend. Exactly how that's achieved depends on the nature of that organisation. As outlined above, we're committed to exploring whether a dedicated separate vehicle is the most appropriate entity and if so, what governance would give partners and regulators assurance. More broadly, we expect that common ODIs provide some customer protection on benefits, and PCDs designed for the overall WINEP would cover any obligations delivered by A-WINEP. We expect that our A-WINEP proposed PCD would be symmetric in its operation. These broader PCDs will be submitted in October. We'll commit to ensuring we identify how the interaction across both WINEP and A-WINEP would work in those proposals.

## PR24 adjustment mechanisms

We have no PR24 adjustments proposed for our A-WINEP.

### 3. Proposed staged assurance plan

| Date                     | Pre 2025  | 2025/26   | 2025/26   | May 2026   | May 2026   | May 2026   | 2026/27  | 2026/27   | 2026/27  |
|--------------------------|---|---|---|--|--|--|--|---|--|
| A-WINEP phase            | Phase zero  | Phase one: establishing   |   | Gateway 1 (centre of excellence)   | Gateway 1 (urban regeneration)   | Gateway 1 (grant)  | Phase two: project development   |   |  |
| Outcome/output           |   | Governance established and partnerships in place                              | Urban regeneration plans agreed in outline  | Has enough progress been made on establishing the centre of excellence to proceed?   | High confidence that the urban regeneration plans will meet statutory deadlines for storm overflows by 2035  | Has enough progress been made on establishing the grant to proceed?          | Catchment outcomes agreed with partners (may be iterative, at different paces in different catchments) |   | Quick start projects begin   |
| Measure/milestone        | Generate A-WINEP interest and enthusiasm within target catchments. Early commitment assessment<br>Explore best vehicle/legal structure for centre of excellence | Baseline partnership assessment, structures and governance established        | Clear plan of what actions will be taken to deliver our statutory WINEP obligations for storm overflows | Measure: MOU with strategic partners, aim for legal entity to be established<br>Vision and Principles agreed<br>Project review Board established<br>Core Staff recruited | Funding Partners sign up   | Is the grant scheme open to applicants with appropriate governance in place? | Catchment strategies established<br>Outcomes and metrics agreed  | Urban regeneration plans established<br>Outcomes and metrics agreed | Where investment-ready projects are identified in phase zero, aim to begin work by 2026/2027 |
| Reporting/accountability | Informal<br>Share with A-WINEP steering group<br>Discuss with EA/Ofwat AWS Board and strategic partner boards   | Report to EA/Ofwat<br>EA/Ofwat invited to be members/observers as appropriate | Agree with EA   | Report to EA/Ofwat   | For urban catchments, if target catchments are not agreed by the end of year 1, we will revert to traditional WINEP for the storm overflow programme | Report to EA/Ofwat   | Report to EA/Ofwat   | Report to EA/Ofwat  | A-WINEP annual report to partners (shared publically)  |



| 2026/27                               | 2027-2030             | 2027-2030        | 2027-2030                  | 2028/29   | 2028/29  | 2028/29   | 2029-32  | 2033  | 2034  |
|---------------------------------------|-----------------------|------------------|----------------------------|---|--|---|--|---|---|
| Phase two: project development        | Phase three: delivery |                  |                            | Gap analysis for PR29   | Phase four: review   | Gateway 2: AMP9 continuation                                | Phase five: AMP9 delivery  | Phase six: AMP10 planning                                 | Phase seven: review   |
| Output: grant funding round one       | Project delivery      | Grant rounds 2-4 | Benefits realisation       | Consequence for PR29 programme  | Project delivery review<br>Lessons learned                                 | Has the project been successful enough to continue in AMP9? | Benefits realisation   |   | Lessons learned   |
| First projects funded through grant   |                       |                  | Outcomes delivered         | Measure risk resolved to investment allocated. Use ratio to determine consequence for PR29              | Review of delivery milestones vs. project plan                             |   | Continuing identification and funding of partnership activities                | PR Business Planning<br>Clarification of actions for PR34 | Final assessment of partnership contributions<br>% contributions achieved vs. target<br>70% match funding expectation |
| Level of partnership funding reported |                       |                  | Outcomes reported annually | Report to EA/Ofwat<br>Lessons learned inform AMP9 WINEP<br>PR29 business plan submission and AMP9 WINEP | PCDs take effect - level of grant funding<br>Sign-off of WINEP obligations | Discuss with EA/Ofwat                                       | Annual review of project development<br>Annual assessment of cost and benefits |   | Final project outputs   |

| Activity  | Description  | Milestone for activity   | Timescale for activity  | Indicators of success   | Progress monitoring  | Assurance   | Assumptions, dependencies  |
|---|--|--|---|---|--|---|--|
| <b>Create Partnership Centre of Excellence</b>  | Centre of Excellence with Terms of Reference (ToR), structure and governance established.<br>See structure hierarchy in 'Action Description' | Signed-off ToR<br>Vision and Principles agreed<br>Project review Board established<br>Recruit core staff | Complete by June 25<br>Start engagement as soon as A-WINEP agreed, building on existing relationships | Number of strategic partners agreeing to join and level of senior management engagement proposed          | Core structure in place<br>Meetings and minutes of meetings                                    | Reporting   | WRE and Norfolk Water Fund retain focus on NbS and environment<br><br>Local authority partners have capacity to engage and willing to enter 'in principle' agreements for co-funding   |
| <b>Market assessment and partnership strategy created in order to agree list of catchments for co-funding</b> | Confirm partners signed up to Centre of Excellence have common goals in discrete geographical locations (both natural and urban catchments)  | SWM catchments agreed to progress<br><br>River restoration and nutrient catchments agreed to progress    | March 26<br><br>March 28  | Number of catchments agreed to progress through partnership discussions                                   | Define minimum number of partners / co-funding £ identified on a catchment-by-catchment basis. | By March 28:<br>EA agrees RNAG removal likely if outlined catchment action is completed<br><br>Gap analysis completed for SWM, grey solutions identified for AMP9 WINEP | For surface water catchments, if target catchments are not agreed by the end of year 1, we will revert to traditional WINEP<br><br>Assumption for River restoration and Nutrient is that catchment agreed before PR29 WINEP programme, resolving need for these future schemes |
| <b>Partnership Capacity Building</b>  | Sharing learning between partners to facilitate continuous improvement throughout life of the programme                                      | April each year or more frequently, as appropriate to individual projects                                | Annual review workshop  | Actions identified and progressed into subsequent projects<br><br>Longevity of partnerships               | Measure feedback from partners   | Minutes and action logs   | If Partnership Centre of Excellence is value adding, partners will remain as active members and contribute to future projects  |
| <b>Dissemination of learning</b>  | Disseminate lessons learned through water companies and partners   | Dissemination workshops throughout AMP8 and beyond into AMP9   | Throughout AMP8 and into AMP9   | Increase in co-funded programmes in AMP9 WINEP across all water companies                                 | Engagement with dissemination activities   | Dissemination outputs   | Assumes all water companies are interested in moving forward with a partnership type approach to future WINEPs   |
| <b>Benefits identification and monitoring</b>   | Project specific but we will develop a common approach to identifying metrics, monitoring and reporting                                      | Baselining<br>End of project assessment<br>Ongoing monitoring  | Before intervention<br>End of project   | Better understanding of and confidence in catchment and NbS<br><br>Wider environmental outcomes delivered | Agreed benefits mapping  | External review of benefits identification, mapping and monitoring processes  | Common Benefits include:<br>Increased biodiversity (in line with nature-first approach), improved amenity, increased catchment resilience  |
| <b>Catchment Strategies Created</b>   | Through facilitated partnership engagement, prioritised project opportunities summarised into a catchment strategy                           | Completed strategies for named catchments  | Annual review of progress, aligned to project development activity and grant funding of projects      | Increasing number of project opportunities identified   | Monthly updates on engagement and opportunities  | 6-monthly reporting   | Adequate resource available to complete multiple catchment strategies simultaneously   |
| <b>Project Development</b>  | Development of identified project activities to be funding application readiness   | Projects achieve "shovel-ready" status   | March 27  | Increasing number of projected classified as "shovel-ready"   | Tracking project development in each catchment   | Annual reporting  | Adequate suitability/number of projects for development  |
| <b>Grant Fund Established</b>   | Confirmation of administration approach for grant, including criteria and delegated authority  | Grant ready for launch   | May 26  | A-WINEP grant assurance panel established   | Confirmed interest from panel members and agreed criteria                                      | Grant funding governance documentation  | Sufficient external interest in grant  |

## 4. Stakeholder engagement

### Stakeholder engagement is central to the success of our A-WINEP proposal.

We are building on established relationships with local and national Rivers Trusts, Water Resources East, the Norfolk Water Fund, Local Planning Authorities, Lead Local Flood Authorities and Highways Authorities, as outlined in greater detail in section 2, as well as our strategic engagement with catchment partnerships across the region. In addition, we have received positive feedback from both the A-WINEP Advisory Group and Get River Positive External Scrutiny Panel, and taken on-board their feedback within this proposal. We will continue to positively engage with these groups throughout A-WINEP delivery, whilst maintaining regulatory engagement through formal reporting and anticipated steering group meetings.

### Partnership involvement and contributions

It is important to note that identifying strategic partners and agreeing the amount, timing and conditions of their contribution is part of the A-WINEP work we are proposing, rather than pre-work we could deliver at this stage. Given the timeframes involved and the work needed to identify the preferred green solutions, partners are not yet ready to enter funding agreements. Accurate understanding and assurance around partnership contributions is required for consideration with the current WINEP planning process.

**Our A-WINEP approach recognises this and aims to establish a framework for the enablement of such assurance in PR29.**

### Customer Engagement

We explored priorities for our A-WINEP plans with a focus group and our online forums. Customers support our A-WINEP approach and are willing to pay the small increase in bills associated with the cost of our A-WINEP programme in AMP8, especially if that means costs would rise less in AMP9. Their priority environmental outcomes are improved river water quality, improved coastal waters, new wetlands, and increased local biodiversity. They also expect to see 'ripple effects' such as increased tourism from improved coastal water quality. They attach less importance to issues such as creating volunteering opportunities. Customers generally support the use of natural solutions that deliver wider benefits, even if they come at a higher cost. Customers want us to be transparent about how the money is spent and what it delivers. This insight will be used alongside our broader PR24 customer engagement to ensure we have a granular understanding of customers' willingness to pay for more-than-statutory environmental improvements, and that our A-WINEP targets the environmental outcomes customers care about most.





## 5. Key risks and mitigation measures

| A-WINEP deliverable  | Risk   | Impact on project objectives  | Mitigation proposed  |
|----------------------|--|---|--|
| Centre of Excellence | Insufficient strategic partners willing to be involved. Reputational risks of failure may inhibit development or collaboration with Anglian Water.   | Partnership development will be more piecemeal and reactive, rather than strategic and proactive.   | Engagement and early discussions already happening and will continue throughout remainder of AMP7.   |
| Project delivery     | Financial risk: Increase in costs due to higher-than-expected tender prices and / or macro-economic pressures such as inflation, the war in Ukraine and a prolonging of the Covid pandemic.  | Results in fewer measures being installed across the project area, impacting on the learning and innovation benefits of the project.  | Early engagement with procurement teams to ensure appropriate quotes are obtained.   |
| Project delivery     | Financial risk: risk allocation for budget over-spend and under-spend across partners. Complexity of sharing financial risks across partners may prevent some organisations from getting involved or place unfair burden on Anglian Water as lead organisation for outcomes benefiting multiple organisations. | Hinder partnership work through unfair distribution of cost risk compared to distribution of benefits.  | Use best practice from other partnership arrangements and engagement with identified partners to explore options for risk allocations.   |
| Project delivery     | Human resources risk: Insufficient skilled staff resource available to deliver the project satisfactorily due to difficulties in both recruiting and retaining adequately skilled personnel.   | Results in a risk to delivery of the strategic objectives and outcomes due to lack of capacity and continuity in the delivery of the Partnership Centre and grants to potential schemes.                        | <p>Produce a Recruitment Plan identifying potential internal resources at Anglian Water and identified partners for the roles as well as a strategy for external recruitment and secondment options with clear job descriptions and skills requirements.</p> <p>Maintain regular Project Team updates and ensure resource constraints are captured early so that appropriate action can be taken.</p> <p>Build the necessary skills into any SPV that is responsible for the delivery of ecosystem services from catchment solutions to multiple stakeholders - so not just water, but transport, carbon, energy, food etc. The skills in NFM, Nat Cap, farm liaison, agri finance etc. can be utilised across a wider based of projects and funding streams to provide greater scale and stability.</p> |
| Project delivery     | Accessing both public and private funding to support and enhance the project   | Results in fewer measures being installed across the project area, reducing the positive impact of the A-WINEP programme impacting on the learning and innovation benefits of the project.                      | Develop robust business cases to support funding applications as early as possible.  |
| Project delivery     | Reaching agreements on how to measure and share benefits in an equitable way across partners that avoids double-counting, ensures Anglian Water's statutory obligations are met and secures commitment from all partners.  | Unintended consequences which skew projects towards certain outcomes, under or over-estimating outcomes from A-WINEP, fosters lack of trust or commitment amongst the partnership.                              | Develop a clear plan for outcomes identification, measurement and sharing to be agreed by all partners. The plan will map the potential outcomes, differentiating between Anglian Water's statutory requirements and additional co-benefits, define and quantify indicators to be used, and set out how these benefits will be shared across partners based on a transparent method of allocation. Auditing and certification of the processes used will also be needed.   |
| Project assurance    | Lack of or poorly defined assurance processes to allocate funding, define roles and responsibilities, and monitor project delivery.  | Poorly designed projects are selected, lack of accountability and transparency, poor financial management, loss of trust in the project leads to lower outcomes, inability to demonstrate value of the schemes. | <p>Build on best practice from other projects to develop a robust and clear project assurance framework setting out clear roles and responsibilities, eligibility criteria for funding, processes for financial and quality monitoring.</p> <p>Ensure that the bidding process checks compliance with guidelines while also allowing for innovation and best value; monitoring and evaluation ensures delivery in accordance with guidance and submitted designs.</p> <p>Incorporate independent auditing of entire process.</p>   |

| A-WINEP deliverable                 | Risk   | Impact on project objectives  | Mitigation proposed  |
|-------------------------------------|--|---|--|
| Surface Water Management catchments | Significant flood events   | Diverts attention away from the project deliverables amongst the Project Team   | Project management resources in place to manage the project deliverables   |
| Surface Water Management catchments | Unforeseen obstructions to key proposed locations of SuDS  | Results in the relocation of SuDS features which could significantly change the effectiveness of the hydraulic performance of the SuDS proposed   | Gather as much data as possible before commencing detailed design work, in particular ground penetrating radar   |
| Nutrient reduction                  | Failure to identify catchments interventions that deliver sufficient benefits to water customers       | Catchment and nature-based solutions cannot replace traditional WINEP solutions in the A-WINEP period   | Project design focusses on identifying projects that deliver additional nutrient benefit over Anglian Water statutory requirements, and paid for by markets e.g. nutrient neutrality credits   |
| Nutrient reduction                  | Landowners unwilling to enter agreements to deliver nature-based solutions                             | Results in fewer measures being installed across the project area, reducing the positive impact of the A-WINEP programme impacting on the learning and innovation benefits of the project.  | Continue work with Norfolk Water Fund and Rivers Trust to understand governance, finance and feasibility to help landowners understand options and implications.   |
| Chalk Stream Restoration            | Piecemeal interventions do not tackle the core problems of over abstraction from aquifers and streams. | Superficial improvements but overall decline continues.<br>Requires long-term planning of major investment in downstream reservoirs, treatment systems and pumped conveyance infrastructure | Solutions need to accept that convenient high quality chalk aquifer supplies in the upper catchment need to be released to feed the environment and ecosystem first and that humans need to take the water that's left from the downstream area, treat and use to supply upstream areas via long pumped supplies. This will be more expensive than raiding the upper chalk stream but will provide sustainable supplies to meet rising demand long into the future with full ecosystem restoration possible. |

## 6. Implications for standard WINEP

Traditional WINEP includes several elements that individually contribute to catchment regeneration but are not designed around a single outcome. Nutrient improvement, flow improvement, and biodiversity enhancement predominantly focus on actions at Anglian Water assets, and whilst nature-based solutions are recognised for their potential added value (including water quality improvement, habitat enhancement, flood relief, and water resource management), their inclusion in standard WINEP optioneering is often limited by confidence in these outcomes.

**We will deliver our statutory WINEP obligations for AMP8. We will deliver Environment Act targets for nutrients and storm overflows through traditional WINEP, and where possible, we will deliver additional benefits to these schemes through the A-WINEP partnerships.**

## Catchment regeneration: River Lark example

### Problem

End-of-pipe solutions to remove Anglian Water's fair-share of nutrients is often high cost and high carbon, without delivering the ultimate environmental outcomes (good ecological status).

Small waterbodies, like headwaters, can experience environmental damage that is diluted downstream, in the main waterbody, and so does not trigger investment.

### Solution

A combination of traditional investment on Anglian Water assets and multi-sector catchment approach that leverages private, public and philanthropic finance to deliver NbS with multiple benefits.

Better strategic alignment of multi-sector approach over multi-AMP timeframe.

### Outcomes

Such an approach could deliver a range of benefits to the community and environment over and above those usually associated with a traditional approach. It could also build capacity and raise confidence in delivering NbS and understanding their benefits and costs as a pathfinder for AMP9.

### Traditional WINEP options - £24.4m (nutrient) + £5.4m (restoration)

- Technically feasible levels of nutrient removal
- River length improved through Water Quality improvement and habitat restoration
- Increased low flow resilience

### A-WINEP options - £Traditional + £Grant (£30+m)

- Identify opportunities to deliver greater nutrient reduction through catchment approaches - to reach Environment Act target and support sustainable development
- Deliver non-statutory improvements in small waterbodies of most value to customers
- Address more Reasons for Not Achieving Good (RNAGs) to get more waterbodies to Good Ecological Status
- Incentivise NbS that are substantially funded by other sectors in a way that will deliver greatest risk reduction for drinking water protection, habitats and nutrients.
- Opportunity for biodiversity net gain units, volunteering and education benefit
- Wider delivery of environmental improvements through natural alignment of restoration ambition.

**The A-WINEP approach can support environmental gain over a larger geography and help align sectors.**

## Urban regeneration: Southend example

### Problem

Old historic combined sewer network with large number of flooding incidents. Improvements required at 11 storm overflows over the catchments to improve water quality.

High levels of deprivation and poor socio-economic and health outcomes in Southend.

### Solution

A place-based catchment approach to surface water management across multiple AMPs. Green infrastructure should be the first option considered to solve the problem and installed through working in partnership.

### Outcomes

Such an approach could deliver a range of benefits to the community and environment over and above those usually associated with a traditional approach. The costs and outcomes of these alternatives are outlined below.

### Traditional WINEP options - £169m

- 11 storm overflow achieve WINEP obligations by 2030
- Localised improved flood resilience to properties downstream of storage tanks
- 8 Bathing Waters benefit from reduced spills 2025-2030
- Low risk

### A-WINEP options - £247m+ (enabled through partnership co-funding)

- All overflows in the Southend catchments achieve WINEP obligations by 2035
- Over 20,000 properties have increased flooding resilience (based on 1 in 50)
- 8 Bathing waters benefit from reduced spills 2025-2035
- Urban regeneration of Southend enhancing the environment, tourism, health and wellbeing for a left behind community
- 547 biodiversity net gain units, 100's of volunteering and education opportunities
- Embodies DWMP approach: A template for future collaborative catchment working
- A wide list of other potential benefits - dependant on the priorities of co-funding partners

**A partnerships approach will align funding mechanisms and deliver far greater environmental outcomes.**



# 7. Sharing learnings

## Incorporating shared learnings in our A-WINEP

Through our Strategic Partnerships with the Rivers Trust, the Norfolk Water Strategy Programme and our flood risk and surface water management programmes, we have built experience in delivering Catchment and Urban Regeneration solutions whilst working effectively alongside other stakeholders. We have also engaged with others in the industry and beyond to learn lessons from their delivery which have been incorporated to our A-WINEP as outlined below:

| Project                            | Lead organisation  | Lessons learnt  |
|------------------------------------|--|---|
| Rivers Trust strategic partnership | Anglian Water/Rivers Trust                                   | Huge amount of partnership interest but limited readiness to include projects within business planning (e.g. match funding not secured). Sustained engagement required to maintain positive relationships (risk of mistrust/frustration with a clear direction) |
| Norfolk Water Strategy Programme   | WRE/Nature Conservancy/Norfolk County Council/ Anglian Water | Potential and current limitations of existing/emerging markets for nature based solutions. Proposed function of special purpose vehicles and importance of project development funding in enabling access to markets.   |
| SuDS For Schools                   | Anglian Water  | Working with stakeholder budgets, including the Department for Education, to support SuDS delivery in schools   |
| Flood Partnership Funding          | Anglian Water  | How best to deliver co-funded solutions that deliver flood risk management benefits, including surface water management   |
| Mansfield Green Recovery           | Severn Trent Water   | Optimising the environmental planning and community engagement processes to provide delivery confidence and improve speed   |
| IGNITION                           | United Utilities / GMCA                                      | Potential revenue streams for investment-based models for SuDS and challenges of accessing local authority funding  |
| GLA SuDS design                    | Greater London Authority                                     | How best to maximise local authority land and government land e.g. NHS sites  |

## How we will share learnings from the project

We recognise the importance of sharing the learning from our A-WINEP with other companies and organisations, both throughout and after the A-WINEP work completes. We identified early the opportunity to align our thinking and share knowledge with United Utilities, who are also focused on the management of surface water to reduce storm overflow spills, and have recently taken the opportunity to align with Thames Water's A-WINEP plans too.

Primarily focused on working in partnership with a broad range of stakeholders to deliver a diverse range of benefits, our three Advanced WINEP proposals will give us the ability to better understand, test and share learning around:

- The opportunities for regulatory flexibility when delivering long term outcomes over a minimum 10 year period;
- The appetite for innovation and collaboration under future WINEP submissions;
- Market approaches to funding environmental benefits over and above traditional water company outcomes;
- Governance arrangements when working with a range of different stakeholders across the country;
- The opportunity to better understand non-standard costs, such as partnership development costs across different locations; and
- How our procurement processes may adapt to facilitate co-funding and co-creation.

The nature of the three advanced WINEP proposals are complimentary with significant areas of overlap in key areas but also different areas of focus. This will ensure that by working together to align our experiences and lessons learnt we will be able to develop a broader understanding of how to best deliver increased rainwater and catchment management options at scale, utilising partnership and market based funding. The below matrix maps how the three proposals will complement each other to support the development of this wider understanding:

| Learning  | Anglian Water | United Utilities | Thames Water |
|---|---------------|------------------|--------------|
| Working with a Combined Authority                         | ✗             | ✓                | ✗            |
| Working with Two Tier Authority                           | ✓             | ✗                | ✓            |
| Working with Unitary Authority                            | ✓             | ✓                | ✓            |
| Leveraging partnership funding                            | ✓             | ✓                | ✓            |
| Market driven approaches                                  | ✓             | ✓                | ✓            |
| Delivering in coastal environments                        | ✓             | ✗                | ✗            |
| Delivering in urban environments                          | ✓             | ✓                | ✓            |
| Delivering in rural environments                          | ✓             | ✓                | ✓            |
| Delivering in upland environments (NFM?)                  | ✗             | ✓                | ✓            |
| Using sustainable drainage and surface water management   | ✓             | ✓                | ✓            |
| Targeting specific overflows                              | ✓             | ✓                | ✓            |
| Adaptive hybrid solutions                                 | ✓             | ✓                | ✓            |
| Unconstrained funding aligning to 3rd party opportunities | ✓             | ✓                | ✓            |
| Shared decision-making around best value                  | ✓             | ✓                | ✓            |
| Suitable operating/governance models                      | ✓             | ✓                | ✓            |
| Open data protocols to enable external innovation         | ✓             | ✓                | ✓            |



## 8. Summary of assurance

Our A-WINEP proposal costs are being assured as part of our overall WINEP and Business Plan Assurance, through internal challenge, internal and external cost benchmarking and external assurance by our third-party assurance providers and ultimately by AWS/AWG Board. We have engaged with Jacobs to provide external assurance of our A-WINEP submission, and intend to address the main findings through our stage 2 assurance process.

## 9. Proposed Stage 2 activities and outcomes

### In Stage 2, we will:

- Lay the groundwork for the Centre of Excellence. We will continue to engage with potential strategic partners to develop a shared vision and principles. With our partners, we will explore the most appropriate governance for the Centre to ensure that control, risks and responsibilities are shared fairly.
- Ensure clear visibility between A-WINEP, our Environment Strategy, and current internal structures around WINEP, outlining internal accountability for A-WINEP delivery and reporting.
- Agree the grant governance framework. Modelled on our Get River Positive grants, we will assess proposals on their delivery of multiple environmental benefits, alignment with Anglian Water's Purpose, feasibility/deliverability, and extent of match funding. If our A-WINEP goes ahead, we'll appoint a review panel including stakeholders, experts, and where possible, regulators. As with our Flourishing Environment Fund, Anglian Water will hold the casting vote to ensure value for money for our customers.
- Continue to map opportunities for nature-based solutions and surface water separation. We have mapped our AMP8 investment to identify hotspots and challenges are working with the Norfolk Water Fund and the Rivers Trust to map opportunities for nature-based solutions. We're keeping an open mind. We don't anticipate being ready to set out a

project pipeline before the start of AMP8, but we will look to identify some 'quick-start projects' to begin early in AMP8. The kinds of NbS we expect to deliver will depend on what our partners need and what landowners are willing to do, but include establishing new wetland areas, habitat restoration, regenerative agriculture (where additional to requirements of Farming Rules for Water, diffuse pollution plans etc).

- Maintain positive engagement with regulators to confirm staged assurance and gateways relating to AMP8 milestones presented in the stage assurance plan in section 3.
- Set out how we will assess best value, in a way that accounts for benefits to partners as well as to our customers and ourselves.

### Please see section 3 for our staged assurance plan.

NbS can take time to deliver their full outcomes. At the project assessment stage, we'll set out what the expected outcomes are, with the proviso that catchment and partnership solutions will only be agreed where they are expected to offer better wholelife value and greater environmental outcomes than a water company-only solution. We will monitor the delivery of those outcomes, as we are doing at our Ingoldisthorpe treatment wetland, from the start of each project until at least the end of AMP9, when we expect the majority of outcomes will be delivered.







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