



South Staffs Water



Cambridge Water

PCD Delivery Plan Commentary

August 2026

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Introduction

This commentary document accompanies the submission and publication of our performance commitment deliverables (PCD) delivery plan reporting tables for the 2025/26 reporting year. The tables, and this commentary in support, provides data and explanation for the progress we have made on our PCDs so far in the AMP8 price control period.

The key data that the reporting tables provide are:

- Activity levels and actual costs for 2025/26 for our base and enhancement PCD schemes and programmes.
- Updates to forecast activity levels and costs for the remainder of the AMP8 period, where required.
- A red-amber-green (RAG) risk score to indicate whether each PCD scheme or programme is on track.
- Updates to the timing of milestone delivery for relevant schemes.
- Reporting of progress on specifically identified critical projects, namely Grafham and Fenstanton.
- Reporting of progress on resilience schemes above £1m expenditure threshold.

Our PCD reporting is aligned to our APR26 reporting, and has been separately assured with our independent technical assurer, Jacobs. Their report is published alongside our data tables and this commentary.

Performance summary for 2025/26

We have had a very successful first year of delivery in AMP8, kicking off some significant new programmes of work and expanded programmes of work, compared to previous price reviews. These include our universal metering and mains replacement programmes, where we have exceeded our year 1 delivery targets. We have also achieved early delivery of an upgrade to ultraviolet disinfection at our Maple Brook pumping station in the South Staffs region, which is now in operational use; and further design and procurement progress on the upgrade of the nitrate removal process at our Morden Grange pumping station in the Cambridge region.

We have also made good progress on the Grafham transfer project, having completed the outline design and undertaken supporting surveys for the planning application. This positions the scheme strongly for subsequent delivery phases and represents an important step in enhancing strategic resilience within our Cambridge region.

We have struggled to meet our PCD target for replacing lead connections at primary schools and nurseries across our Cambridge and South Staffs regions, largely because of the difficulty associated with identifying qualifying lead services. We are looking at ways to improve this going forward.

Looking ahead, we are planning to remain ahead of original schedule on our water quality improvements, and both the metering and mains replacement programmes will increase significantly from year 2 onwards. We will deliver improvements to the environment, network resilience, climate change resilience, physical and cyber security, and reservoir capacity increase over this five-year cycle and all of these programmes are on track.

DPB1 and DPB2: base PCDs and costs

Mains renewals

We have made a strong start to the delivery of mains renewals activity in AMP8. In year 1 we have exceeded our PCD target. We have achieved this by ramping up our renewals scheme identification, design processes, and scaling up existing delivery frameworks.

The costs for renewals are slightly over expectations in year 1, primarily due to a significant increase in materials costs. This presents a risk for the rest of the period, however we are working hard to maximise efficiency of the programme and so at this stage we are not projecting falling short of our delivery expectations.



Network reinforcement

For network reinforcement, the schemes originally intended for year 1 have not yet materialised, as they are dependent on the progress of new development sites. We expect the schemes will still be required however will keep this under review.

DPW1 and DPW2: enhancement PCDs and costs

Metering

Our largest enhancement programme is new installations of metering and upgrades from existing meters. We have made a very strong start on the new programme, outperforming on our PCD target in year 1.

This has been achieved by working closely with established delivery partners, including Diehl, our meter supplier, and Onsite and Network Plus, our delivery framework contractors.

We are immensely proud of the successful ramp up of the programme we have achieved in year 1, with far fewer customer concerns than anticipated.

We are currently working on implementing the 'smart' functionality for these new meters, with a technology delivery framework now awarded and due to start receiving data in 2026/27. This means that we will not satisfy the data collection thresholds for the connectivity PCD in year 2, instead catching up in year 3.

Note that our costs of delivery of the programme in year 1 have been higher than originally forecast, as we have incurred the programme set up costs in the first year, and we are discovering the true mix of internal and external fitments. We are working hard to maximise programme efficiency for the remaining years. At this stage we do not anticipate that this will negatively impact achievement of the targets.

For meter upgrades and replacements, note that we have also outperformed both of these targets. We have elected to substitute 25% of non-household meter upgrades for household ones, as the regulatory guidance allows. For replacements, our reported figure includes the catch up from 2024/25 as required by Ofwat, which has now been achieved in full. The meters we have installed across the entire upgrade and replacement programme are all AMI-capable, as we no longer install basic or AMR meter types.



Water treatment improvements

We have several schemes across AMP8 focussed on the improvement of water quality, including six new installations of ultraviolet (UV) treatment plants for improved disinfection of source water.



We are pleased to report that we have already installed and commissioned one scheme, at Maple Brook Pumping Station which is a borehole site delivering 9 million litres of water per day to customers. This scheme has been delivered ahead of the original schedule and is in operation, successfully improving the reliability of disinfection at the site. The operation will be monitored for 12 months before obtaining DWI sign off. We intend the remaining schemes to also be delivered ahead of schedule over the next four years.

Lead pipe replacement

In this price control period we have several PCD targets related to lead pipe replacement at customer premises. From year 2 onwards we are undertaking a household lead replacement trial, and in year 1 we have been replacing lead at school and nursery premises, as well as undertaking lead communication pipe replacement upon identification from a random sample failure.

We are disappointed to report that we have not met the target replacement rates in year 1, due to site investigations not discovering enough lead pipes to replace at the locations on our target list. We are currently working on improving our data in this area and discussing potential alternative delivery options with Ofwat.



Other categories

There are several other PCD categories that we are targeted to deliver on between 2025 and 2030, including:

- River restoration
- WINEP investigations
- Climate change resilience
- Reservoir capacity increases
- Cyber and physical security upgrades

These commitments are all on track. We will continue to report on these schemes over the next few years as part of our annual performance report and PCD delivery plan updates, as they make progress towards their targeted deadlines.

DPW3: milestones

This table provides information against delivery milestones for applicable projects. Note that there are a number of individual projects which aggregate to form the information presented in this table.

Compared to our baseline delivery plan in August 2025, most delivery milestones (i.e IM5 and IM6) have been moved forward by more than 90 days. This reflects our ambition to deliver schemes ahead of programme where possible. In some cases intermediate milestones (i.e IM2, IM3, IM4) have moved backwards by more than 90 days, however this just reflects updated project planning phasing and the delivery milestones (i.e IM5 or IM6) have still moved forward substantially in these cases.

Overall we have no concerns about the milestones, we are confident that they reflect a deliverable programme which aims to outperform the original baseline. Milestones continue to be kept under close review by our project management assurance team internally.

DPW4: critical projects

We have two critical projects that were identified in the 2025/26 PCD delivery plan, in line with regulatory guidance. These are Fenstanton and Grafham transfer, which are both water resource schemes that are critical to the improvement of the supply position in the Cambridge region in the medium term.

We are in the process of reviewing the Grafham pipeline scope with external stakeholders, as it has been suggested that the pipeline should be of a greater capacity than originally envisaged to accommodate future supplies from Fens Reservoir. This is likely to be a significant cost uplift compared to the original scheme, and we are therefore aiming for a cost change submission in the 2027 submission window. The updated scheme, if approved, is likely to require a PCD target change.

We will continue to provide updated information on these schemes as they progress further.

DPW5: resilience projects over £1m

We have one project meeting the threshold for reporting in this table, which is our Hanbury pipeline resilience project, laying approximately a 6km pipeline to improve resilience between two supply zones in our network area.

This project is scheduled for delivery by March 2030 and so has not yet begun detailed design or procurement. We will continue to provide updated information on this scheme as it progresses further.

PCD delivery plan process comments

The regulatory PCD tracking process has just completed its first year, and there are several points of feedback that we feel Ofwat could consider to improve the process in future years. These are:

- **The value of a draft PCD delivery plan in April:** we submitted our draft plan however its timing just after year end meant that costs and activity levels were not finalised. We had no queries or feedback on this draft plan, so it has not helped us determine any improvements, save for those we identified ourselves, for this final plan. The draft plan required resources to produce, and so it is important to consider what value this adds to the process given its timing compared to the final plan.
- **The timing of the final plan being moved to August:** this has been a significant benefit in our view. As a smaller company, producing and gaining the necessary assurance for this final PCD plan at the same time as producing and assuring the APR would have been a significant resource challenge, for ourselves and our assurers. Having the extra month to 15th August has enabled resources to be less stretched, improving quality of the submission and assurance process. Furthermore it has allowed us to ensure the PCD delivery plan is aligned to the finalised APR data, which would not be as easy if the two were being produced simultaneously. We want to advocate for a permanent change to 15th August for the PCD delivery plan for these reasons.
- **Bringing together the wide range of PCD related documentation and requirements:** there are a number of Ofwat published documents which are required to be reviewed to understand the full set of definitions, reporting and assurance requirements on PCDs, all published at different times and all covering a selection of, but not all of, the PCD reporting processes. It would be beneficial to bring these together into one set of cohesive reporting and assurance guidance. It would also be beneficial to review the process and seek to reduce the data and assurance burden.
- **Reporting tables content and layout:** the PCD tables include all of the PCDs across all companies so many are not relevant to our company. It would be clearer for completion and external stakeholders if our tables only showed those PCDs relevant to us. The tables are also visually cluttered, not fitting on a single screen due to their width. Layout and data improvements would help with this for improved clarity.