



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 2.4

Strategic Water Issues

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 27 October 2021

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Paul Raynes, Director of Delivery and Strategy

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

- a) Agree that the Combined Authority should send a senior representative to the Sponsor Group of the Future Fens Integrated Adaptation Initiative, and approve a financial contribution of £40,000 in 2021-22 from the Non-Strategic Spatial Framework budget line to support the initiative in developing a business case for investment in water management and climate change adaptation in the Fens;
- b) Agree that the Combined Authority should join the Water Resources East (WRE) Board and approve the expenditure of £7,500 in 2021-22 from the Non-Statutory Spatial Framework budget as a subscription to WRE membership; and
- c) Subject to recommendation (b) being approved, delegate authority to the Chief Executive to nominate a senior officer to represent the Combined Authority on the Water Resources East Board.

Voting arrangements: A simple majority of all Members present and voting

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

1. Purpose

- 1.1 This report recommends that the Combined Authority should support constituent authorities' local plan development and delivery, the Devolution Deal objective of doubling GVA sustainably, and the Combined Authority's objectives on the natural environment, by taking an active role in two key forums which will shape future planning for water infrastructure in Cambridgeshire and Peterborough.

2. Background

- 2.1 The future management of water is a crucial issue in enabling future sustainable growth in Cambridgeshire and Peterborough. The evidence base for the Greater Cambridge Local Plan has identified future water supply as a potential "deal breaker" under the preferred option published for consultation. Medium or high growth levels would need new regional scale infrastructure, such as reservoirs and transfer schemes. Even on existing plans, the current reliance on water abstraction from the chalk aquifer is considered unsustainable. Seasonal flooding is already a significant issue in Huntingdonshire. Evidence produced by Cambridge University for the Cambridgeshire and Peterborough Independent Commission on Climate indicates that by the end of the century, based on current locations and not allowing for future development, nearly 1 in 10 homes and 1 in 4 agricultural and industrial production facilities could face river flooding. Communities, farms and industry in the areas of Wisbech, Whittlesey, Huntingdon, St Ives and the eastern edge of Peterborough face the highest risk. Meanwhile, hotter and drier summers will increase the stress on water resources, impacting people, farming, industry, biodiversity and the quality of the natural environment.
- 2.2 Combined Authority officers together with officers from constituent authorities have held discussions with the government's OxCam Arc unit on the need for nationally-led infrastructure planning processes to take into account Cambridgeshire and Peterborough's water challenges. The Mayor and officers have also engaged with the water industry and other partners. As a result of these discussions, the Combined Authority has been invited to join two significant initiatives which are focussed on planning for future water needs.

Future Fens Integrated Adaptation

- 2.3 The Future Fens Integrated Adaptation (FFIA) project was established in May of this year. The Mayor attended its inaugural meeting. FFIA is a concept to bring together many different but key sectors, organisations and people into a partnership that builds on the strategic work across sectors, aiming to draw on international experience to lead, develop and deliver a truly integrated water management approach. As part of this work on resilience, Anglian Water are looking at proposals to develop two new large surface water reservoirs. One in South Lincolnshire and one on the Norfolk/Fenland boundary. These reservoirs are being planned as multi-purpose assets and will use source water from Fen rivers. The likely cost of these reservoirs is £1.5 to £2.0 billion depending on the final design options/locations. The proposed integrated water management approach created by this partnership aims to be a solution addressing the environmental, economic and social challenges faced. The Project has identified the potential to unlock wider benefits including:
- Long-term food security for the UK;
 - Increased biodiversity and natural capital;

- Carbon sequestration within the peat;
- New sustainable housing growth and thriving regenerated communities;
- New investment in green transport systems;
- Business and job creation.

The invitation to the Combined Authority to join the FFIA is set out in full in Appendix 1.

Water Resources East

- 2.4 Water Resources East is one of five Regional Planning Groups working under the National Framework for Water Resources to develop a long-term integrated water management plan for Eastern England. Given the diverse range of water users in the region, Water Resources East became an independent legal entity (a Company Limited by Guarantee) in 2019, and a multi-sector Board of Directors was formed along with a new membership model. Water Resources East (WRE) Ltd now operates as an independent membership organisation, working with over 200 stakeholders. Its integrated water management plan will be submitted to the government and regulators as the basis for future investment plans by the industry. The invitation to the Combined Authority to join WRE is set out in Appendix 2.

Strategic Alignment

- 2.5 The Combined Authority's strategic objectives, as set out in the Devolution Deal, the Growth Ambition Statement, and the Business Plan, include:
- Enabling the sustainable growth of the economy in line with the target of doubling GVA over 25 years;
 - Supporting constituent authorities' Local Plans and the delivery of the homes and growth set out in those plans;
 - Ensuring that infrastructure is in place in a timely way to support development.

The evidence indicates that failure to ensure effective management of water in the future would jeopardise the Devolution Deal growth objective. The Combined Authority does not have decision-making powers over water supply, water infrastructure, or flood defence and works in partnership to influence those decisions. Membership of WRE and FFIA would formalise the Combined Authority's role in the two key partnerships shaping decisions about future water planning and investment, and significantly enhance the Combined Authority's ability to ensure that the needs of Cambridgeshire and Peterborough residents, and of constituent authorities, are met by future decisions on water resources.

Significant Implications

3. Financial Implications

- 3.1 The Future Fens Integrated Adaptation project has asked for a contribution either in cash or in kind to resource the current phase of its work drawing up a compelling business plan. The Combined Authority's headcount does not make it possible to offer a secondee, as partners such as the Environment Agency have. A financial contribution of a comparable order - £40,000 – is therefore suggested for the Board's consideration. Given the strategic alignment of FFIA's work to the Combined Authority's objectives, and the necessity of

addressing water issues for the achievement of sustainable growth in line with the Devolution Deal aim, this is considered to represent acceptable value for money.

- 3.2 Water Resources East is a company limited by guarantee, whose shareholders contribute £15,000 a year to support its running costs. For the current financial year, WRE has asked the Combined Authority for a £7,500 contribution as counterpart to taking a shareholding. Given the strategic alignment of WRE's work to the Combined Authority's objectives, and the necessity of addressing water issues for the achievement of sustainable growth in line with the Devolution Deal aim, this is considered to represent acceptable value for money.
- 3.3 The Board is recommended to fund these two subscriptions by approving expenditure from the Non Statutory Spatial Framework Budget, which is intended to support work on strategic planning in support of constituent authorities' local plans. The MTFP provides £301,000 in 2021-22 for this work.

4. Legal Implications

- 4.1 Membership of WRE would involve the Combined Authority becoming a shareholder in a company limited by guarantee. The liability would be for a £1 share. The Combined Authority would be required to nominate a Director to the company. It is recommended that this should be a senior officer nominated by the Chief Executive.

5. Other Significant Implications

- 5.1 None

6. Appendices

- 6.1 Appendix 1 – Letter to the Mayor from Future Fens Integrated Adaptation
- 6.2 Appendix 2 – Letter to Officers from Water Resources East

7. Background Papers

[Devolution Deal](#)

[Growth Ambition Statement](#)

[Business Plan 2021-22](#)

[Greater Cambridge Local Plan Preferred Option Consultation](#)

[Greater Cambridge Local Plan Integrated Water Management Study](#)

[CPICC first report](#)