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Management Case

Only Rainwater into Windermere

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Contents

1. Management Case 3

1.1 Purpose of the Management Case 3

1.2 Scope of the Management Case 3

1.3 Programme Governance Arrangements 3

1.4 Programme Delivery 6

1.5 Change Management..... 13

1.6 Benefits realisation, monitoring and evaluation 14

1.7 Risk Management 16

1.8 Next steps 17

1.9 Assumptions and Limitations 20

1.10 References Error! Bookmark not defined.

Management case summary

Purpose and scope of this document. The Management Case sets out the proposed approach to governing and delivering ORiW, including benefits realisation, monitoring and evaluation, and risk management. Reflecting the programme's early stage, it provides an indicative framework covering governance, phased delivery, change management, risk and contingency arrangements, and the next steps needed to develop a more defined delivery approach.

Programme governance arrangements. Delivery of ORiW will require a governance structure capable of providing strategic oversight while coordinating activity across multiple organisations, regulators and delivery partners. Clear accountabilities, effective decision-making and robust assurance arrangements will be critical to successful programme delivery.

Programme delivery. ORiW represents a coordinated programme of projects across the Windermere catchment. Different projects are expected to progress at different rates, creating opportunities for some interventions to deliver benefits ahead of others. Programme progression will be influenced by key activities including regulatory approvals, planning and consenting, environmental assessment, technical development, land requirements, financing and procurement.

Change management. Delivery of ORiW will require changes in behaviours, practices and ways of working across the catchment, alongside delivery of physical infrastructure. A proportionate change management approach will be needed to support stakeholders, maintain long-term engagement and ensure that programme interventions are successfully adopted, helping to translate investment into lasting environmental, social and economic outcomes.

Benefits realisation, monitoring and evaluation. Benefits are expected to be realised progressively through the combined impact of interventions across the catchment. A coordinated approach to monitoring and evaluation will be required to track outcomes, demonstrate benefits and support adaptive programme management as understanding develops.

Risk management. Delivery of the programme will require active management of regulatory, environmental, technical, commercial and stakeholder risks. Robust risk management arrangements will be required to manage dependencies, inform decision-making and maintain programme momentum as delivery approaches are developed.

Next steps. Further work is expected to focus on refining the programme scope, regulatory pathway, planning and consenting approach, delivery model, funding and financing arrangements and supporting evidence base. These activities will help inform future decisions and the development of a more detailed and deliverable programme approach.

1. Management Case

1.1 Purpose of the Management Case

The purpose of the Management Case is to set out the proposed approach to governance, delivery, benefits realisation, monitoring and evaluation, and risk management for the ORiW programme. It establishes how the programme could be managed and delivered in practice, recognising the current early stage of development.

The Management Case supports development of an approach that provides clear leadership, effective coordination across multiple stakeholders, and robust arrangements for managing delivery, risks and outcomes in a complex and sensitive environment.

The approach is informed by HM Treasury's Green Book (HM Treasury, 2026b), the Guidance on developing Business Case for projects and programmes (HM Treasury, 2026a), and established government project delivery standards.

1.2 Scope of the Management Case

The scope of this Management Case reflects the current stage of programme development and focuses on defining an indicative approach to programme management, rather than a fully developed delivery structure. It covers:

- **Programme governance.** This section sets out the proposed governance arrangements for the programme, including roles, responsibilities and decision-making structures across strategic oversight, programme coordination and project delivery. It also describes how change control, contract management and the use of specialist advisors will be managed
- **Delivery approach.** This section outlines how the programme could be delivered over time, including the sequencing of phases from development through to operation. It describes the structure of delivery and the key dependencies that influence programme progression, including activities that are expected to affect the critical path
- **Benefits realisation, monitoring and evaluation.** This section explains how programme benefits are expected to be realised and tracked over time. It sets out the role of the Theory of Change from the Economic Case, and describes the approach to monitoring and evaluation, including development of metrics, baselines and processes for tracking outcomes
- **Risk management.** This section identifies the approach to managing programme risks, including the development of a programme risk register and the identification of key risks across regulatory, environmental, technical, delivery and coordination areas. It also outlines how risks will be managed and the role of contingency arrangements
- **Next steps.** This section sets out the activities required to further develop the Management Case, including progression of the regulatory pathway, planning and consenting approach, scope of projects, delivery model, financing model and supporting evidence base

1.3 Programme Governance Arrangements

Delivery of the ORiW programme will require a governance approach capable of providing clear leadership while coordinating activity across multiple stakeholders and responsibilities.

Governance of ORiW is currently provided through a Steering Group comprising United Utilities, the Environment Agency, Lake District National Park Authority, Westmorland and Furness Council, Love

Management Case

Windermere, and Save Windermere. To date, the Steering Group has provided strategic direction, overseen development of the feasibility study and business case, reviewed and provided feedback on the options appraisal, and enabled input from represented stakeholder organisations. As the programme progresses beyond feasibility, governance arrangements are expected to evolve to support a wider range of activities, including regulatory engagement, business case approvals, funding decisions, planning and consenting, procurement and programme delivery. The governance structure presented below therefore illustrates how governance may develop as the programme matures.

The governance arrangements required to support long-term programme development and delivery will depend on future decisions regarding scope, regulatory pathway, funding and delivery model. At this stage, an illustrative governance model is set out, informed by Government Functional Standard GovS 002: Project Delivery (HM Government, 2021) and reflects established practice for major infrastructure programmes, alongside relevant Ofwat guidance (Ofwat, 2026a). This is aligned with regulatory expectations within the UK water sector and United Utilities Water Limited's (UUW) internal delivery approach.

Governance of programmes of this nature is typically structured to provide:

- Clear accountability and decision-making.
- Proportionate oversight aligned to complexity and risk.
- Effective escalation routes.
- Appropriate stakeholder engagement where delivery involves multiple organisations.

Given the strategic importance of improving water quality at Windermere, it is anticipated that governance will need to balance strong leadership with structured engagement of key stakeholders, including regulators and local partners. This reflects the distribution of pollution sources and impacts across multiple systems, ownerships and stakeholders within the catchment, the need for coordinated action across multiple organisations, and the partnership-led approach of the ORiW programme.

An indicative governance structure would likely include:

- **A Strategic Oversight Forum (Sponsoring Body)**, providing strategic direction and ensuring alignment with regulatory, environmental and organisational objectives. This could build on the existing Steering Group arrangements and would be expected to include senior representatives from key stakeholder organisations.
- **A Programme Board**, responsible for the overall direction, coordination and oversight of the programme. This would typically be chaired by a **Senior Responsible Owner (SRO)**, subject to confirmation at the next stage, and include representation from key functional areas (e.g. engineering, commercial, environment). The Programme Board would be expected to:
 - operate within delegated authority limits.
 - oversee scope, risk, funding and delivery performance.
 - ensure alignment with regulatory requirements and business case approvals
 - consider whether the Senior Responsible Owner should act also as the Programme Sponsor or whether the Sponsor should be a separate role or roles.
- **Project-level governance arrangements**, tailored to the nature and scale of individual projects, (which represent a discrete set of works or assets). Given that ORiW is likely to comprise multiple projects or delivery packages (groups of projects), these arrangements may include project boards or delivery groups responsible for managing day-to-day activity and reporting to the Programme Board.
- **Other working groups as required**, to provide governance and coordination for individual cross cutting areas and programme workstreams. This could include the workstreams identified in Figure

Management Case

1A (regulatory approvals, business case development, delivery and commercial, surveys and investigations, planning and consenting, land and third-party agreements, and technical design), as well as delivery efficiency

- **Independent Technical Assessor/Advisor (ITA).** For major infrastructure programmes, an independent technical advisor may be appointed for development and delivery. This role would provide independent review and assurance on technical, commercial and delivery matters, supporting robust decision-making as the programme progresses.

Across all levels, governance arrangements are expected to define:

- Responsibilities for approval, delegated authority levels, risk management, change management, cost control and benefits realisation.
- Reporting and assurance processes, aligned to business case and regulatory requirements.
- Interfaces between organisations, recognising that delivery is expected to involve multiple stakeholders, including consenting bodies, regulators, landowners and delivery partners, and supported by appropriate information management and knowledge-sharing arrangements to maintain continuity throughout programme development and delivery."
- Escalation routes to ensure that issues are addressed at the appropriate level.

Assurance arrangements are expected to develop alongside the programme and align with established government guidance and infrastructure best practice, which may include relevant National Infrastructure and Service Transformation Authority assurance guidance (NISTA, 2020). This may include a combination of internal assurance, peer review and technical challenge, oversight through programme governance and regulatory engagement, and independent assurance reviews at key decision points. These arrangements are expected to mature alongside the programme and support progression through future business case stages and approval gateways.

1.3.1 Use of Specialist Advisors

In addition to defined governance roles, delivery will require access to appropriate technical and specialist capabilities. Given the scale and complexity of the programme, this capability will combine internal resources with external expertise, particularly where specialist skills or additional capacity are required.

This specialist support capability is expected to include:

- Technical and engineering advisors, supporting optioneering, design development, and integration of different projects across the programme to produce design for planning documentation and design for tender documentation.
- Environmental, hydrological, hydraulic, cultural heritage, and social impact specialists, supporting environmental assessment, water quality modelling, consenting and compliance (including EIA, Habitats Regulations, Heritage Impact Assessment, Water Framework Directive requirements, abstraction licensing considerations and assessment of implications for existing hydrological and operational controls within the wider catchment).
- Commercial and procurement advisors, supporting development of delivery models, packaging, contract strategies and procurement processes, aligned with the Commercial Case.
- Legal and planning advisors, supporting planning, consenting, land acquisition and contractual arrangements.
- Programme, business case, monitoring and evaluation, cost and risk advisors, supporting programme planning, business case development, benefits realisation, monitoring and evaluation, cost estimation, scheduling and risk management.

Management Case

These advisory roles align with the programme and delivery services set out in Section 1.3 of the Commercial Case. The Commercial Case identifies the specialist services that may need to be procured to support programme development and delivery, while this section describes how those capabilities are expected to support programme governance, decision-making and delivery management throughout the programme lifecycle. These services may be procured either as standalone services or integrated within broader delivery arrangements.

Where appropriate, the programme may seek to draw on relevant experience and lessons learned from government departments, public bodies and other major infrastructure programmes and other water companies to inform programme development and delivery planning.

1.3.2 Contract Management

As the programme develops, formal contract management arrangements will be established to support effective management of delivery partners and contractual interfaces. These arrangements will be complemented by change control processes to manage changes to scope, cost, timetable and delivery approach in a structured and transparent manner. Given the evolving nature of the programme and the number of interdependencies between projects or packages, robust change control will be critical to maintaining alignment with approved objectives and managing the impact of changes across the programme.

Contract management arrangements will be developed alongside the delivery and procurement strategy. These will be tailored to the delivery model adopted (for example, framework, alliance or competitively procured delivery arrangements) and will include:

- Management of supplier performance and delivery against agreed outputs
- Monitoring of cost, schedule and risk across delivery partners
- Mechanisms for managing variations, disputes and incentives
- Clear allocation of responsibilities and interfaces across multiple delivery packages

The detailed governance framework, including the composition of groups, roles and responsibilities, and interfaces with stakeholders and regulators, will be further developed and agreed at the next stage of programme development. This is expected to form part of the programme development described in Section 1.7 and is likely to progress alongside development of the delivery model, programme structure and regulatory approval pathway. Establishing a detailed governance framework is expected to be an early activity in the transition from feasibility-stage development to a delivery-focused programme structure.

1.4 Programme Delivery

ORiW comprises a portfolio of coordinated projects and activities aimed at improving water quality across the Windermere catchment. Individual projects represent discrete sets of works or assets and may be grouped into delivery packages, reflecting how related activities could be procured and delivered through a single contract or delivery arrangement. This section describes the proposed programme delivery approach, including the key phases, dependencies and activities expected to influence progression from development through to operation. It also identifies opportunities to support delivery at pace through early decision-making, proactive management of key dependencies and the parallel progression of programme activities.

Delivery is expected to follow a phased and iterative approach, bringing together multiple projects and workstreams over time. An indicative delivery plan for ORiW is set out in Figure 1-A. This provides a high-level view of how the programme could progress from early development through to operation and is intended to remain applicable across the options currently under consideration, recognising that the delivery approach remains subject to further definition.

Management Case

The plan reflects established practice for major water infrastructure by setting out a phased and iterative delivery approach, including progression through design, consenting, procurement and delivery stages alongside parallel workstreams.

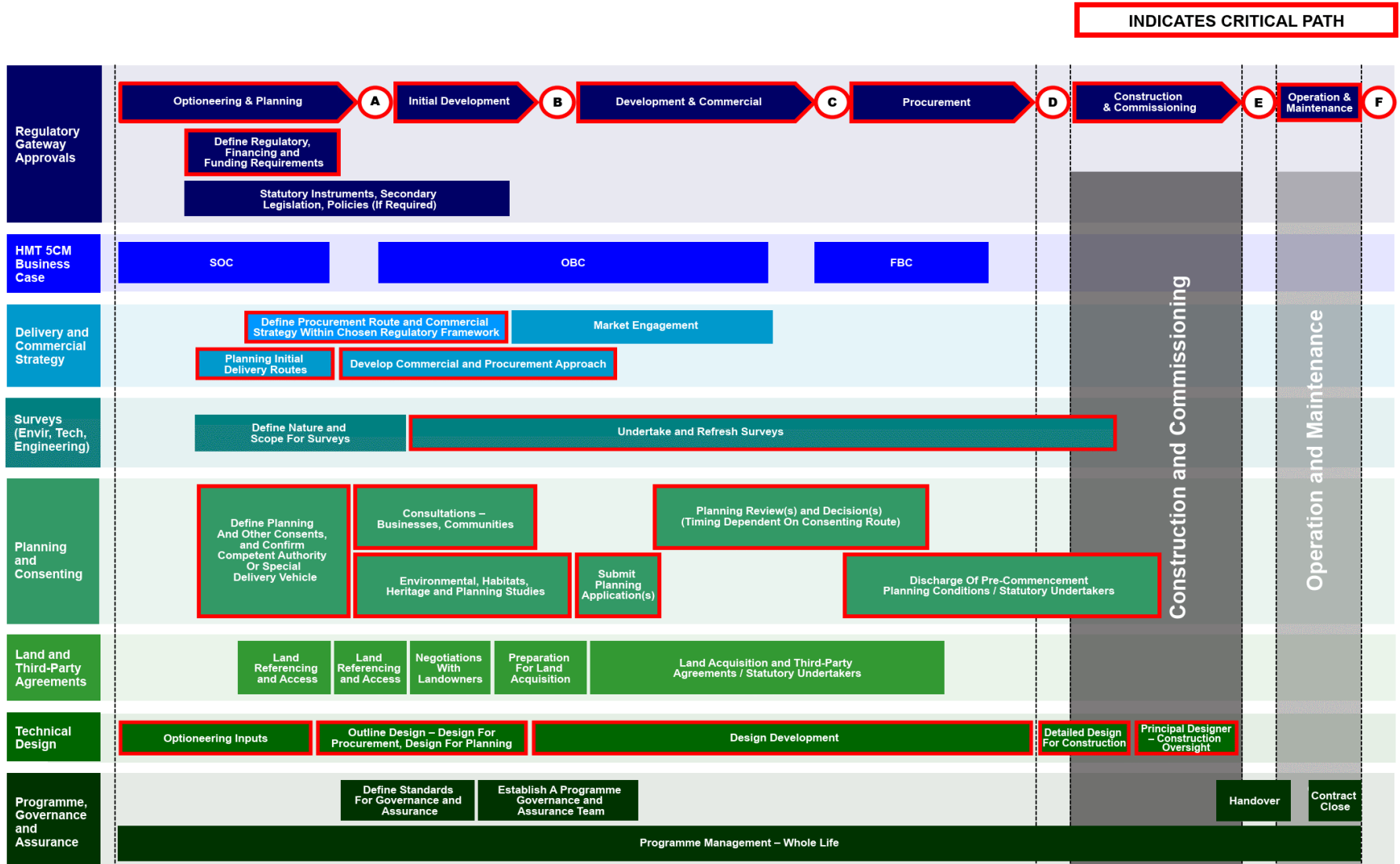
The approach is consistent with Ofwat's Major Water Infrastructure Programme combined gated process (Ofwat, 2026b), which provides a structured framework for the development, assessment and approval of major water infrastructure projects.

It also reflects wider water sector planning and environmental frameworks. In particular, it is consistent with the adaptive planning approach used for Water Resources Management Planning, and Drainage and Wastewater Management Plans, where option development, environmental assessment, consultation and regulatory approvals are progressed concurrently (Defra, 2025) (Defra, 2023), and with relevant National Policy Statements governing planning, environmental assessment and consenting requirements (HM Government, 2012), (HM Government, 2023).

While individual projects or packages will progress through a common set of development activities, the timing and sequencing of these stages will vary depending on project characteristics, dependencies and delivery approach. Figure 1-A therefore presents a simplified, programme-level view of delivery, showing the overall stages and sequencing for the programme as a whole, rather than representing individual projects or packages.

More detailed engineering information, including construction sequencing and timeline assumptions for individual options, is provided in the ORiW Deliverability Report. Together, these documents provide complementary perspectives, linking option-level construction planning with the wider programme delivery framework.

Figure 1-A - Outline delivery plan



1.4.1 Programme delivery approach and sequencing

Several key elements of the delivery approach remain to be confirmed, including:

- The regulatory pathway and the gated funding approval process.
- The planning and consenting route (for example, through Town and Country Planning Act or Development Consent Order processes).
- The delivery and commercial model, including procurement approach and packaging of projects.
- Funding and financing arrangements.

The delivery plan in Figure 1-A therefore presents a flexible and evolving structure, designed to accommodate different potential approaches while maintaining alignment with regulatory expectations and established good practice.

The delivery plan in Figure 1-A is structured around a series of indicative phases:

- Optioneering and planning, including early optioneering, development of initial delivery, risk and construction assumptions, and the initial definition of regulatory, procurement and planning approaches.
- Initial development, including development of options, early design, and progression of environmental and technical studies and surveys.
- Engineering design for planning and engineering design for procurement.
- Development and commercial, including business case development, design progression, environmental assessment, planning application preparation, and development of delivery and procurement approaches.
- Procurement, including definition of commercial arrangements and engagement with the supply chain.
- Construction and commissioning, subject to securing the necessary approvals and consents.
- Operation and maintenance, extending over the lifetime of the assets.

Across these phases, multiple workstreams are expected to progress in parallel and inform each other iteratively. These workstreams include planning and consenting, technical design, land, legal, surveys (environmental, topographical and structure, ground, engineering and technical), business case development and the production of a delivery/commercial strategy. Responsibility for delivery is expected to evolve across these phases, with early-stage activities led by U UW and potential transition to delivery partners as the programme approach is defined.

The ORiW programme comprises a large number of projects (representing a discrete set of works or assets) or packages (groups of projects) across the Windermere catchment, spanning public wastewater, private wastewater discharges and urban surface water runoff. These projects vary in scale, complexity and delivery requirements.

In practice, different elements of the programme are expected to progress at different rates. This provides opportunities to sequence delivery such that construction of some projects can progress sooner after FBC approval and deliver early benefits, while others follow over time depending on their characteristics and dependencies.

In addition, the workstreams shown in Figure 1-A represent high-level groupings of activities rather than detailed processes. For example, surveys and technical design comprise multiple, iterative activities that

will evolve over time to support option development, design, consenting and construction. These have been aggregated to simplify the outline delivery plan diagram.

Several important interactions are anticipated between workstreams. The timing of surveys and design activities is likely to be influenced by land access and relevant consents (for example, access agreements with landowners or environmental permits for surveys). The outcomes of these activities will in turn inform engineering and design development, planning submissions, environmental assessment, procurement and commercial decisions (for example, survey data informing scheme design or environmental assessments supporting planning applications). Some technical, hydrological, hydraulic and regulatory studies may also need to be undertaken iteratively as designs mature, with the findings potentially informing further design development, operational arrangements and updates to existing licences, consents or approvals."

Investment is currently being delivered through AMP8 to secure near-term improvements in water quality and environmental performance in the Windermere catchment. ORiW is being developed alongside these investments as a longer-term programme and is expected to build upon the benefits delivered through AMP8. As ORiW develops, further work may be required to understand how future interventions interact with existing and planned assets and investment programmes.

1.4.2 Supporting efficient programme delivery

Experience from comparable major infrastructure programmes indicates that development, consenting and delivery can take a significant period of time. While these comparator programmes provide a useful evidence base for understanding the scale, complexity and potential delivery challenges associated with ORiW, they should not be interpreted as defining the future duration of the programme. Given the strategic importance of improving water quality at Windermere, there may be opportunities to accelerate programme progression through proactive management of key dependencies, early decision-making, parallel progression of activities and timely resolution of risks and constraints. A dedicated delivery efficiency working group may also be beneficial to coordinate, oversee and drive these activities.

While statutory processes and regulatory requirements will need to be satisfied, potential actions that could support delivery at pace include:

▪ Regulatory and approvals

- Early engagement with Ofwat, government and environmental regulators to agree regulatory pathways, evidence requirements, funding arrangements and approval processes, including exploration of proportionate and efficient assurance approaches that support programme progression while maintaining appropriate regulatory scrutiny.
- Establishment of a regulators' technical working group to support pre-application engagement, facilitate communication between statutory stakeholders and to enable early resolution of technical and consenting issues including for grant of a new discharge permit.
- Early identification of any primary or secondary legislation, policy changes or regulatory mechanisms required to establish the legal basis for programme funding, approvals and delivery, reducing the risk of delays arising from unresolved legislative or regulatory dependencies. In addition, legislative changes may be required for other issues, such as to facilitate first-time sewerage implementation and to ensure customers must pay.

▪ Business case development

- Evolution of programme governance arrangements from the current feasibility-stage model to a delivery-focused structure with clear accountabilities, delegated authority and decision-making responsibilities.
- Streamlined assurance, approvals and stakeholder engagement arrangements to support timely decision-making while maintaining appropriate scrutiny.

- **Delivery and commercial**

- Early establishment of a dedicated programme team with appropriate technical, commercial, environmental and delivery expertise to assess delivery model options, engage with the market and develop procurement and packaging strategies in parallel with technical development, reducing the risk of later rework and delays.

- **Surveys and investigations**

- Early securing of access permissions required to undertake investigations and surveys.
- Early commencement of surveys, investigations and environmental assessments, including environmental surveys, water quality and flow monitoring, topographical and structure surveys, and ground investigations, to identify constraints early, improve design certainty and reduce the risk of later programme delays.

- **Planning and consenting**

- Early agreement of the preferred planning and consenting route, including engagement with planning authorities, statutory consultees and consenting bodies to identify requirements, evidence needs and programme implications.
- Early development of mitigation strategies for environmental, heritage and community impacts to reduce the risk of delays during consenting.

- **Land**

- Commence land referencing at the earliest opportunity, once there is sufficient confidence in the spatial extent of development required for both construction and permanent infrastructure associated with the most preferred option.
- Early and ongoing engagement with landowners and other affected parties to facilitate access for surveys, investigations and future construction activities.
- Development of a proactive land strategy focused on securing land by agreement wherever possible and reducing risks associated with land acquisition.

- **Design and technical development**

- Early deployment of engineering and technical resources to progress design development in parallel with planning, consenting and commercial activities, ensuring that information required for approvals and procurement is available at the earliest opportunity, and identifying opportunities for standardisation, modularisation and repeatable delivery approaches where appropriate.
- Progressive development and assurance of designs as survey information becomes available, reducing the risk of later redesign and programme rework.
- Early collection and validation of key modelling and performance data to improve confidence in technical assumptions and option development.

- **Programme governance and assurance**

- Implementation of robust governance, assurance and decision-making arrangements with clearly defined roles, responsibilities and escalation routes.
- Application of recognised major-project development best practice (e.g. The National Infrastructure and Service Transformation Authority (NISTA) Project Development Routemap, Major Projects Association).
- Active management of critical-path risks and implementation of mitigation measures at the earliest opportunity.

- Structured coordination across ORiW, AMP8 and other related programmes to manage interfaces, dependencies and sequencing.
- Ongoing stakeholder engagement to maintain alignment, secure support and resolve issues before they affect programme delivery.

1.4.3 Indicative development timescales and comparator programmes

Experience from comparable major infrastructure programmes provides a useful indication of the scale and complexity of activities typically required to progress projects from inception to construction. A review of comparable major water infrastructure projects indicates that the typical duration from project start to construction commencement is in the range of 9 to 16 years. These are:

- Haweswater Aqueduct Resilience Programme – c. 9 years
- Tideway – c.16 years
- Hampshire Water Transfer and Water Recycling Project – c.13 years
- Teddington Direct River Abstraction (part of London Water Recycling) – c.12 years
- Grand Union Canal Transfer – c.12 years
- Poole Water Recycling and Transfer – c.11 years
- Cheddar 2 Reservoir and Transfer – c. 9 years

Construction durations are not presented at this stage, as these will depend on the preferred option and delivery approach; however, indicative construction timelines for each option are provided in the ORiW Deliverability Report.

The Economic and Financial Cases use an assumed aspirational construction start date of 2030 to provide a consistent basis for appraisal; this is an assessment assumption rather than a committed or validated programme date. A robust assessment of the pre-construction development programme will be undertaken during the next phase of the project.

1.4.4 Critical path activities

As illustrated in figure 1-A, a number of workstreams are expected to be on, or strongly influence, the programme's indicative critical path.

In this context, the critical path refers to the sequence of activities during development and up to construction start that are expected to determine the duration of the programme, where delays would directly impact the programme timeline.

These activities are expected to require ongoing management, monitoring and coordination through programme governance arrangements, with management actions developed as programme scope, sequencing and delivery arrangements become clearer. More detailed programme scheduling and critical path analysis would be developed at a future stage of programme development. In addition, the risk management process will include mitigation plans for risks that could result in a delay to critical path activity. These mitigation plans will be managed to ensure effective delivery.

At this stage, the critical path is indicative and reflects the current understanding of programme structure, recognising that it will be refined as the programme develops and key decisions are taken.

The activities currently expected to form, or significantly influence, the critical path include:

- **Regulatory and approvals strategy.** Establishing the appropriate regulatory pathway and agreeing evidence requirements with regulators is expected to be a key early activity, influencing the sequencing of subsequent workstreams

- **Funding and financing strategy:** Establishing the funding sources, confirming affordability and customer impacts, and securing alignment with regulatory and approval frameworks (including Ofwat and wider government) is expected to be a critical activity influencing the viability, sequencing and progression of the programme. In addition, financing requirements depend on the delivery model chosen, for example, in-house, Direct Procurement for Customers (DPC) or Specified Infrastructure Projects Regulations (SIPR).
- **Environmental, data and technical surveys and studies:** Delivery of core surveys and assessments (including ecological surveys, biodiversity baseline studies, water quality monitoring, ground investigations, Heritage Impact Assessments, and HRA/WFD-related assessments), including those required to support development within or near protected sites (e.g. SAC, SSSI) and downstream receptors, is expected to underpin design development, environmental assessment and planning submissions. These activities include establishing data maturity and modelling inputs, which are expected to be key enablers of option development and programme progression
- **Planning and consenting process:** Preparation, submission and determination of planning applications is expected to be a primary driver of programme timescales, with requirements varying depending on the chosen planning route. Other requirements, including discharge consents, Biodiversity Net Gain (BNG) obligations, and Habitats Regulations and Heritage Regulations compliance are also likely to be critical.
- **Design development for planning and procurement:** Progression of technical design to support planning submissions and procurement activities is expected to be closely linked to survey outcomes and consenting requirements
- **Procurement strategy:** Development of the procurement strategy, including confirmation of delivery model, risk allocation, contractual arrangements and market engagement, together with progression through procurement processes, is expected to be a critical activity influencing the timing of financial close and commencement of construction.
- **Land access and acquisition:** Securing access to land for surveys, construction and operation and maintenance (including engagement with landowners and other parties including special category landowners such as the National Trust and Crown Estate) is expected to be a critical enabler for several workstreams.

These activities are expected to drive the overall programme schedule and will therefore require early definition, engagement with stakeholders, close coordination and ongoing management as the programme develops.

1.5 Change Management

Realisation of the ORiW vision will require more than the delivery of physical infrastructure. Achieving the intended environmental, social and economic outcomes is also expected to depend upon changes in behaviours, practices and ways of working across the catchment.

Key areas of change are expected to include:

- **Private wastewater system transition** – supporting property owners and businesses as private wastewater systems are replaced, upgraded or connected to the public sewerage network through first-time sewerage and related interventions.
- **Catchment management practices** – supporting adoption of surface water separation, sustainable drainage systems (SuDS), rainwater management measures and other interventions designed to reduce pollutant pathways into Windermere.
- **Partnership working** – maintaining alignment between the organisations involved in delivery of the ORiW vision, including regulators, local authorities, delivery partners, community organisations and environmental stakeholders.

- **Community and stakeholder adoption** – maintaining support from residents, businesses, visitors, landowners and local communities throughout programme development and delivery, recognising the scale and duration of the proposed interventions.
- **Operational transition** – integrating new wastewater, treatment and drainage infrastructure into long-term operational arrangements and establishing appropriate responsibilities for operation, maintenance and stewardship.

As the programme develops, a proportionate change management approach will be established to identify stakeholder impacts, support engagement and communications activities, and facilitate successful adoption of programme interventions. This will help ensure that infrastructure investment translates into the environmental, social and economic outcomes sought by ORiW, recognising that delivery of the programme vision depends not only on the construction of assets, but also on participation, acceptance and coordinated action across the catchment. Effective change management will therefore be an important enabler of benefits realisation and long-term programme success.

1.6 Benefits realisation, monitoring and evaluation

ORiW is intended to deliver significant and lasting benefits for Windermere, its communities and the wider environment through a coordinated programme of catchment-wide interventions. As set out in the Economic Case, the programme is expected to deliver benefits across five broad outcome areas:

1. Water quality, environmental condition and ecological health	2. Wastewater system sustainability and climate adaptation	3. Resilience to surface water and flood risk	4. Community and visitor wellbeing, recreation and amenity	5. Economic and long-term catchment value
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Realising these benefits requires more than the successful delivery of individual projects. It also requires understanding whether the programme is delivering the intended outcomes, the extent to which benefits are emerging over time, and whether changes to delivery approaches are required to maximise value. Benefits realisation, monitoring and evaluation provide the framework for doing this, enabling the programme to track progress towards its intended outcomes, assess performance and support informed decision-making throughout delivery.

This is particularly important for ORiW, where benefits will arise from the combined effect of multiple interventions delivered across the catchment, rather than from any single project or asset.

Benefits are expected to be realised progressively throughout programme delivery and operation, reflecting both the phased implementation of interventions and the time required for environmental systems to respond. Indicatively:

- Initial benefits may be realised through early interventions, such as first-time sewerage, private wastewater system improvements and runoff reduction measures, which can be delivered ahead of major infrastructure works.
- Further benefits are expected as wastewater infrastructure interventions, including treatment and network improvements, treatment rationalisation and interceptor infrastructure, are delivered, reducing pollution and improving system performance across the catchment.
- Longer-term environmental outcomes are expected to emerge over time as the cumulative impact of interventions is realised and natural processes within the lake and wider catchment respond to reduced pollution loads.

Management Case

- Wider social, amenity and economic benefits are expected to be realised as improvements in environmental quality support greater recreational use, enhanced amenity value and increased confidence in Windermere as a destination for residents and visitors.

The extent to which benefits are realised will also be influenced by factors beyond the direct control of the programme, including natural environmental processes within the lake and wider catchment, and actions taken by other organisations and stakeholders in areas such as private wastewater systems, land management practices and highways runoff.

This reflects that ORiW is a system-wide intervention, where long-term outcomes depend on coordinated action across multiple projects, organisations and stakeholders. Monitoring and evaluation arrangements must therefore consider both the performance of individual projects and the cumulative impact of interventions across the catchment.

To support this, a **Theory of Change** (ToC) will be developed as part of the next phase of programme development. The ToC will articulate how programme activities and interventions are expected to contribute to the intended outcomes and benefits, providing a clear line of sight between programme delivery and the long-term changes ORiW seeks to achieve.

Building on the Theory of Change, a **monitoring and evaluation framework** will be developed to provide a structured approach for assessing whether intended outcomes and benefits are being achieved, and to support ongoing programme management and decision-making throughout delivery. The framework is expected to draw on HM Treasury's Magenta Book guidance (HM Treasury, 2020) and be proportionate to the scale, complexity and maturity of the programme.

Given the interconnected nature of the programme and its benefits, the monitoring and evaluation framework will adopt a systems approach that considers the cumulative effect of multiple interventions and the contribution of different stakeholders across the catchment. This will define how benefits are measured, tracked and assessed over time. Central to the framework will be a Benefits Register, which will set out the expected benefits, associated measures, monitoring arrangements and reporting responsibilities. This approach is expected to include:

- Identification of metrics and indicators used to measure each benefit, aligned with the Economic Case.
- Definition of baselines and monitoring approaches, informed by surveys, modelling and data collection.
- Development and implementation of a Biodiversity Net Gain (BNG) monitoring plan, including arrangements for monitoring and reporting biodiversity outcomes over the required monitoring period.
- Assignment of ownership for tracking and reporting on each benefit.
- Processes for reviewing progress and updating understanding as new evidence becomes available.

Monitoring will focus on tracking delivery of outputs and changes in environmental indicators over time, based on ongoing data collection and analysis.

Evaluation will assess the extent to which projects are contributing to intended outcomes, including improvements in water quality and wider environmental and social benefits. This evaluation process will develop detailed assumptions and consider the wider programme context, including the combined effect of multiple interventions and the influence of wider environmental factors.

Given the scale and complexity of the programme, monitoring and evaluation will also support adaptive management. This recognises that outcomes may take time to emerge, and that delivery may require refinement as understanding develops and programme context evolves.

Further detail on monitoring and evaluation arrangements will be developed at the next stage, including more detailed definition of indicators, data requirements and reporting processes.

1.7 Risk Management

Delivery of the ORiW programme is subject to a range of uncertainties, reflecting both its current stage of development and the complexity of the environment in which it will be implemented.

The approach to risk management, including contingency planning, for ORiW is defined at a high level and will be developed further as the programme progresses.

Given the early stage of development, the programme is subject to a number of uncertainties, including the regulatory pathway, planning and consenting approach, funding and financing approach, delivery and commercial model, and the scope and sequencing of projects.

An initial risk register has been developed (included in business case appendix F), identifying key risks across the programme and assigning mitigation approaches. In addition, technical risks have been compiled in the Engineering Assumptions Dependencies Opportunities Risks and Exceptions (ADORE) Summary Report. Together, these provide a basis for understanding and managing risk at this stage.

The programme is expected to adopt a structured and proportionate approach to risk management, consistent with established practice in major infrastructure and within the UK water sector and informed by recognised guidance (such as HM Treasury's Orange Book and ISO 31000). This includes:

- Ongoing identification and assessment of risks as the programme evolves.
- Development of mitigation and management strategies, including consideration of opportunities to avoid, reduce or transfer risk where appropriate.
- Regular review and updating of the risk register and mitigation strategies, informed by programme development and stakeholder input.
- Allocation of risk ownership, recognising that responsibilities may sit across UUW, regulators, and delivery partners.

Risk management is expected to be embedded within programme governance, with regular reporting to the Programme Board (or equivalent) and escalation of material risks where required. This will support informed decision-making, including progression through key development and approval stages.

Given the nature of the programme, particular focus is expected to be placed on:

- **Regulatory and consenting risks**, including uncertainty around applicable approval pathways and requirements
- **Environmental and technical risks**, including the outcomes of surveys, assessments and modelling
- **Delivery and commercial risks**, including procurement approach, funding and affordability, financing, market capacity and packaging of projects
- **Programme integration risks**, reflecting dependencies between multiple projects, delivery packages and wider investment programmes (e.g. AMP8)
- **Programme coordination risks**, including the need to align actions across multiple pollution sources and stakeholders within the catchment
- **Stakeholder and reputational risks**, including the need to maintain alignment across a diverse range of stakeholders and manage differing expectations regarding programme objectives, scope and delivery approaches.

Management Case

This reflects the fact that ORiW is expected to involve coordinated action across wastewater systems and urban runoff sources, with outcomes influenced by interactions across the wider catchment.

As the programme develops, the approach to risk management will be further enhanced at the next stage. This is expected to include:

- Refinement and expansion of the risk register, including greater definition of likelihood, impact and mitigation actions with owners allocated
- Development of a quantified risk assessment, where appropriate to inform cost and schedule assumptions
- Clearer articulation of risk allocation, aligned to the delivery and commercial approach

1.7.1 Contingency arrangements

Contingency arrangements will be developed to enable the programme to respond effectively to risks, uncertainties and changes as the programme progresses.

Given the scale and complexity of ORiW, these arrangements are expected to include:

- The ability to re-sequence or defer individual projects where constraints arise (such as delays in consents, land access or approvals), while maintaining progress on other elements of the programme
- The identification of alternative delivery approaches or solution options that can be progressed where preferred approaches are not feasible or are delayed
- Provision for cost and schedule contingency, to be developed and quantified at the next stage, to accommodate changes in scope, programme duration or delivery conditions
- Arrangements for re-baselining programme scope, cost and timing, where required, in response to new evidence or changes in external conditions
- Escalation routes within governance arrangements to enable timely decision-making where contingency actions are required

These arrangements will be developed alongside programme planning and governance to ensure that the programme can respond effectively to change while maintaining alignment with its overall objectives.

Risk management, including contingency planning, will form an integral part of how the programme is planned and delivered, ensuring that uncertainty is appropriately understood and managed throughout.

1.8 Next steps

Given the early stage of programme development, the items outlined in this section represent areas that may require further development, assessment and consideration as the programme progresses. They are intended to indicate the potential activities and decisions that could support future programme development and business case progression, rather than committed actions at this stage.

As the programme evolves, further work may be required to refine the proposed approach, reduce key uncertainties and develop the supporting evidence base. This is likely to involve coordinated activity across regulatory, technical, environmental, commercial and delivery workstreams, with a particular focus on informing future decisions and programme development.

1.8.1 Priority actions and near-term decisions

The following priority activities and decisions represent the key actions required to establish the overall direction of the programme and support progression. These activities are expected to be coordinated

Management Case

through the programme governance arrangements described in Section 1.3, including any supporting working groups established to progress specific programme workstreams and cross-cutting issues:

- Regulatory pathway and approvals approach.
 - Further engagement with Ofwat to determine how the programme is considered within the regulatory and funding framework, including aligning expectations for major project development and delivery.
 - Further engagement with UK Government to align expectations on environmental improvements and benefits delivered by the programme.
 - Further engagement with the Environment Agency (EA), Natural England (NE), the Marine Management Organisation (MMO), and the Forestry Commission to define environmental requirements, including discharge and other permitting, environmental assessment and compliance expectations (e.g. WFD, HRA).
 - Establish the overall approach to evidence development and regulatory and consenting approvals, recognising the distinct roles of economic and environmental regulation.
- Planning and consenting route.
 - Assess potential planning routes (for example, through Town and Country Planning Act or Development Consent Order processes), including implications for timescales, consultation, environmental assessment, environmental outcomes reports and governance.
 - Identify a preferred approach and associated requirements, including environmental assessments (e.g. HRA, WFD), consultation processes, application documentation and examination and determination processes.
 - Explore the option of progressing ORiW under one of the existing planning and consenting routes, prior to implementation of new secondary Environmental Outcomes Report (EOR) legislation, should this be considered a lower-risk option than progression under a new planning regime.
- Scope and definition of projects
 - Progress optioneering and definition of projects across multiple sources, including mains wastewater, private discharges and urban surface water runoff.
 - Establish interfaces with wider catchment initiatives and stakeholders to understand how agricultural runoff may influence, or be influenced by, the delivery of ORiW.
 - Further water quality monitoring and modelling and calibration of wastewater models to support robust optioneering and design refinement.
 - Commissioning of surveys (e.g. network surveys, coastal water quality modelling etc.) to inform design and permitting.
 - Identify potential grouping or packaging of projects for delivery, including opportunities for early delivery of some measures.
 - Further test and refine the emerging preferred approach, recognising that this remains subject to confirmation through structured optioneering and stakeholder engagement.

1.8.2 Evidence generation and development activities

Progression of the programme is dependent on several activities that underpin the development of the evidence base and drive the timing and sequencing of key decisions:

- Environmental and technical surveys and studies

- Undertake key surveys and assessments (e.g. ecological surveys, water quality monitoring, ground investigations, HRA/WFD).
- Include assessments required for development within protected sites (e.g. SAC, SSSI) and consideration of downstream receptors such as Morecambe Bay.
- Develop the evidence base required to support planning, consenting and option selection.
- Design and feasibility development
 - Progress design from concept level to outline design suitable for planning and procurement, including consideration of construction methodology, logistics, sequencing and opportunities to support efficient delivery.
 - Further develop modelling and analysis to demonstrate feasibility and outcomes.
- Land strategy development
 - Identify land requirements and constraints and land referencing, once there is sufficient confidence in the spatial extent of development required for both construction and permanent infrastructure associated with the most preferred option.
 - Initiate engagement with landowners (including National Trust and other third parties).

1.8.3 Programme development and supporting activities

The following activities support the development of the programme delivery framework, ensuring that appropriate commercial, governance and planning arrangements are established. As the programme develops, these activities are expected to be coordinated through the programme governance arrangements described in Section 1.3:

- Programme governance and structure.
 - Develop governance arrangements to support delivery-stage decision-making.
 - Clarify roles, responsibilities and interfaces across stakeholders.
 - Evolve existing governance and stakeholder arrangements to support programme delivery, including clear accountability and effective decision-making processes.
- Delivery and commercial strategy
 - Develop delivery models, financing options, procurement approaches and packaging options.
 - Develop funding options.
 - Undertake targeted market engagement, including with specialist suppliers (e.g. tunnelling and complex engineering contractors) to test deliverability of projects.
 - Build on engagement undertaken through AMP8 and initial ORiW discussions.
 - Develop the delivery approach in line with Ofwat expectations for major infrastructure, including demonstrable deliverability, value for money, appropriate risk allocation and consideration of alternative delivery models (e.g. DPC, SIPR, In-house, where applicable).
- Programme integration and sequencing.
 - Assess interactions with AMP8 and other UuW programmes, including potential overlaps, dependencies and opportunities for coordination.
 - Identify implications for programme scope, sequencing and delivery approach.
- Risk, cost and schedule development.
 - Refine the programme risk register and mitigation strategies including risk owners.

- Develop more robust cost estimates and programme schedule based on emerging evidence.
- Benefits development.
 - Further develop the Theory of Change and develop an approach to monitoring and evaluation.
 - Define metrics, baselines and monitoring approaches.

1.8.4 Progression to Next Stage

The activities outlined above provide the basis for progressing the programme to the next stage and developing a more defined and deliverable approach. This includes development of:

- Further definition and confirmation of a preferred set of projects, building on existing analysis and structured optioneering.
- Development of a deliverable funding, financing, delivery and commercial approach.
- Alignment with regulatory expectations and evidence requirements.
- Preparation of a more detailed and assured business case to support internal and regulatory approvals.

1.9 Assumptions and Limitations

The analysis presented is based on information available at the time of writing and a number of assumptions appropriate to the early stage of programme development.

1.9.1 Key assumptions

- The programme will be developed within existing and emerging regulatory frameworks applicable to major water and environmental infrastructure projects.
- The Economic and Financial Cases use an assumed aspirational construction start date of 2030 to provide a consistent basis for appraisal; this is an aspirational assessment assumption rather than a committed or validated programme date. A robust assessment of the pre-construction development programme will be undertaken during the next phase of the project.
- A viable pathway exists to secure planning permission and environmental consents, subject to further assessment and evidence development.
- Sufficient environmental, engineering and survey data can be obtained to support option development, design progression and regulatory submissions.
- The supply chain has the capacity and capability to support the delivery of projects, including specialist activities where required.
- Land required for the programme can be accessed or acquired, subject to appropriate engagement and legal processes.
- The programme will continue to align with wider UuW investment planning, including AMP8 and longer-term strategy.
- Wider stakeholder and community engagement is planned, and it is assumed that stakeholder views can be appropriately considered and managed through ongoing engagement and programme governance arrangements.
- No significant issues emerge from independent scrutiny of the options selection rationale.

1.9.2 Limitations

- The programme is at an early stage of development, and key elements – including the regulatory pathway, planning route, delivery model and scope of projects – are not yet fully defined.
- The current design basis is high-level and subject to change, as further surveys, modelling and stakeholder engagement are undertaken.
- Environmental and technical assessments are ongoing, and future findings may influence the feasibility, cost and timing of projects.
- The funding approach, delivery approach and the financing, packaging and procurement strategy remain under development and will be defined further at the next stage.
- Cost estimates, programme durations and benefits are indicative and will be refined as the evidence base develops.
- The extent to which ORiW may interact with or influence existing programmes (e.g. AMP8) is still being established.

A.1 References

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