



AMP8 Delivery Plan Progress Report

November 2025

About this document

Ofwat have developed the Delivery Plan ('DP') in AMP8 so that companies can track, and explain, their progress towards delivering their AMP8 enhancement programme.

Accompanying data tables

This DP is accompanied by a set of data tables.

Price base

All values are quoted at 2022/23 prices.

Data and reporting assurance

We have appointed leading Assurers Deloitte to provide independent third-party assurance on our Delivery Plan. We have also worked with Jacobs to provide additional assurance insights. This assurance work tests the quality of our Plans in accordance with Ofwat's requirements.

Deloitte and Jacobs have each engaged with our internal teams and delivered deep dive reviews on a sample of our delivery projects. They have undertaken a structured assurance process including document reviews, system walkthroughs, and interviews aligned to the six assurance tests set out by Ofwat. Deloitte, our lead assurer, has confirmed that the DP we share with Ofwat is based on internally available information with a critical adjustment related to the Holistic Compliance Plan ('HCP'). They have also made recommendations to gain greater comfort over the deliverability and accuracy of the plan identifying improvement to our controls over both data and programme governance procedures. Their full Independent assurance report produced by Deloitte (with discrete contribution from Jacobs) will be submitted alongside the DP to provide Ofwat with confidence in our governance, planning, and delivery readiness.

Sensitive information

This document is to be published on our website, so it excludes references to commercially sensitive information including, but not limited to, commercial arrangements with our contractors and other procurement related activities.

Disclaimer

All of the information contained within this submission reflects our latest view of costs and milestones for delivery, but these will inevitably change through delivery, and we expect revisions and updates in future iterations.

In line with the guidance set out in the email from Daniel Mitchell to Cathryn Ross on 13 August 2025, this report and the accompanying data tables reflect the latest view of our Business Plan which reflects our HCP.

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AMP8 deliverability challenges

This is our first Delivery Plan report, which sets out our baseline forecast for our investment programme for the 2025 to 2030 period, known as Asset Management Plan 8 ('AMP8').

The PR24 final determination ('FD') allowed £20.5bn of expenditure in AMP8, c.£4bn less than we requested as part of our business Plan submissions. This represents a huge step up in investment from previous AMPs, and brings with it challenges, relating to deliverability, predominantly in the wastewater non infrastructure area of our business.

In responses to this challenge, we have driven a wide-ranging evolution of our approach to delivery, building from our agreed Delivery Action Plan to produce tangible changes in how we work with our supply chain and operate our internal processes. We are stretching our ability to deliver for our customers and the environment.

This report, as required by the PR24 FD, relates to those schemes that have price control deliverables ('PCD'). Of the £20.5bn allowance c. £5.2bn had PCDs assigned to them, noting that our forecast costs in many cases are higher than the allowances in the PR24 FD. The purpose of PCDs is to protect customers, by returning to them allowances for schemes that are not delivered within AMP8. The PCDs have two components – a non-delivery element and a time incentive. The non-delivery element will return the allowances to customers if a scheme is not delivered, and the time incentive will either reward or penalise companies for delivering schemes early or late respectively.

These PCDs only cover some elements of our enhancement programme and a small number of base programmes. Other investment is not subject to a PCD and so is outside the scope of this report. The exception to this is the large-gated schemes, that are included within our delivery Plan as they fall within the reporting requirements set out.

PR24 Business Plan

The deliverability challenges of our AMP8 investment programme were clearly signalled during the PR24 development phase as it became clear that the level of investment necessary to meet statutory requirements in AMP8 significantly exceeded our delivery capacity, even accounting for forecast ambitious expansions within the company and the supply-chain. To protect customers from paying for undelivered expenditure we proposed a 'delivery mechanism' that only releases additional in-period funding for specified schemes when/if further capacity can be found.

Ofwat agreed with our proposal and agreed the Delivery Mechanism including it in our PR24 FD, but limiting eligible schemes to chemicals, storm overflows and phosphorus improvements within the AMP8 WINEP.

Holistic Compliance Plan

Given the deliverability constraint within our wastewater non-infrastructure part of our business we have worked to optimise our investment plan to allow us to deliver the maximum possible wastewater outputs within AMP8 in line with compliance drivers. This exercise has allowed us to refine our Plan, such that we have considered deliverability in the round, rather than limiting the delivery mechanism to chemicals, storm overflows and phosphorous improvements.

Further, we have undertaken extensive engagement with the supply chain, undertaking additional testing of their capacity and growth assumptions to agree ambitious “stretch” targets. This has included engagement with new entrants, which we have subsequently entered into contract with. It is this assessment which has determined the deliverability envelope, that has been and remain subject to robust internal challenge.

We, however, remain of the position that it is not possible for Thames Water to do everything required of it in line with environmental compliance drivers during AMP8, including with wider requirements beyond WINEP8

Since the publication of the PR24 FD in December 2024, we have been engaging with our regulators, including Ofwat, the Environment Agency (‘EA’) and the Drinking Water Inspectorate (‘DWI’) on the scope of our Plan and the associated challenges. The team held more than 7 hours of discussion with colleagues from Ofwat, the EA and latterly the DWI, on our HCP, to set out and explore how we could maximise the amount of environmental compliance that we can deliver in AMP8, and the different prioritisation scenarios that we might apply within our deliverability envelope. These sessions set out the challenges that we face (with specific detail of the identified non-compliances that are likely to result), the cause of these challenges and what is being done to remedy them. We received useful feedback from our regulators on the various options available to prioritise within those constraints, and we explained in our discussions how these have been taken into account.

The HCP aims to achieve material compliance with environmental requirements as soon as practicable. It only constrains delivery capacity based on external factors (including availability of supply chain, plant and materials, skills) and the practical constraints of delivering large, complex programmes of work on sites while maintaining service. As part of developing our Plan we have challenged these constraints, as outlined above, and taken into account the opportunity for increased delivery enabled by our Delivery Action Plan (‘DAP’). The result is an ambitious Plan, one which will take considerable effort and challenge to achieve. The HCP was not constrained based on funding, financeability or internal capability/capacity challenges.

Through the HCP we have explored a range of prioritisation scenarios. For example, for investment in wastewater above ground assets, we considered: prioritising delivery of WINEP8 schemes; delivering on a site by site to maximise efficiency of delivery; prioritising according to what the company understands its regulators’ priorities to be; and prioritising schemes according to sensitivity of the receiving watercourse. In every scenario, delivery of WINEP7 schemes delayed from AMP7 and the IED programme were prioritised. Further, in every scenario we continue to deliver schemes that have progressed to Stage Gate 2, because changing course where schemes are already that far advanced would significantly reduce what could be delivered in the AMP overall.

Following the various regulator consultations and internal governance procedures, we have aligned on a hybrid scenario that maximises what can be delivered by undertaking work on a site by site basis while prioritising sites in line with regulatory dates, whilst taking on board our regulators’ priorities (in particular feedback that regulators would expect prioritisation of flow compliance and spills, and prioritisation of sites where CCS1 and 2 breaches have been recorded). We believe this prioritisation approach is the best for our customers and the environment. This submitted DP reflects all these changes.

It should be noted that further reprioritisation and sequencing work will be required as the Plan is operationalised. The design and scale of some capital interventions (e.g. the storm overflow improvement programme) are not fully known at this stage and are awaiting outcomes of investigations and assessments. Unforeseen circumstances and opportunities will also present themselves.

To ensure we remain focused on maximising delivery and minimising compliance risks we are setting up a robust tracking and change control process with executive and, where appropriate, Board level oversight.

Delivery Mechanism

As part of the work on the HCP, we have updated the list of schemes that form part of the delivery mechanism. The value of these is materially the same as set out in the PR24 FD and reflects the outcome of the work undertaken.

This report is set out in two parts. Part 1 relates to the PCD requirements as set out in the PR24 FD. Part 2 continues the AMP7 carryover reporting that we have been providing to Ofwat over the last 12 months.

Key risks to our Investment Programme

The key risks are to the delivery of our AMP8 investment programme are:

- Immature scope definition;
- Outage availability constraints impacting strategic delivery milestones;
- Deteriorating asset condition undermining delivery and strategic outcomes;
- AMP7 carryover scope impacting AMP8 delivery;
- Supply chain capacity constraints impacting programme delivery; and
- Planning delays due to increased AMP8 workload and local authorities.

Further detail, including the causes, effects and mitigations are found later in this document.

AMP7 carryover

Over the last twelve months, we have been working with Ofwat on a Delivery Plan for our AMP7 carryover schemes and a delivery action Plan. The latest version of the Delivery Action Plan was submitted to Ofwat in August 2025.

This report follows the Year 1 Baseline report submitted in April 2025, noting that report only set the baseline for the AMP7 carryover elements of the AMP8 Plan.

Thames Water's Major Projects & Programmes (previously Capital Delivery) activity consists of schemes totalling £10 billion of spend in AMP8 (capex in outturn prices including corporate overhead) and consists of over 900 projects. The requirement for the AMP7 DP initially relates to AMP7 enhancement schemes which achieve their Regulatory outputs in AMP8.

For this quarterly report, the variance analysis and supporting commentary is based on the Year 1 baseline of the March 2025 position, reported in May 2025.

Of the initial 140 AMP7 outputs to be completed in AMP8, 16 have been achieved by end of March 2025 and so are delivered within AMP7. Those outputs are now excluded from the scope of the AMP7 DP, resulting in a total of 124 outputs presented in this report.

The summary analysis of Regulatory Benefit achievement from the selected Baseline (March 2025 position) is as follows:

# Outputs	Projects currently pre SG2	Projects currently post SG2	Total Outputs	
BenF No Movement	37	26	63	51%
BenF Movement	35	26	61	49%
Total Outputs	72	52	124	100%
Improved	14	6	20	16%
Slipped to within 30d later	6	1	7	5%
Slipped to within 30d to 90d later	8	4	12	10%
Slipped more than 90d later	7	15	22	18%
Slipped	21	20	41	33%

BenF movement analysis June 2025 (vs March 25 Baseline)

The number of projects affected by slippage in June is now equally split between those that are pre-SG2 and post-SG2. The categorisation of delay causes is split equally between internal and external factors, with issues relating to finalising the Engineering Solution the most common internal factor, and Contractor Delays being the most common external factor.

The overall stability of the programme has improved since the April 2025 report which can be seen for the SG2, SG3 and BenF forecasts. For BenF there is a reduced 33% (from March 2025 to June 2025) overall slippage compared to 73% (from December 24 to March 25). The number of projects that have remained as forecasted in the April 25 report (March 25 position) has similarly increased from 13% to 51%, and there has been an increase in the number of projects showing an improved SG2 forecast from 13% in March to 16% in June.

Whilst this is an improvement compared to recent months and reflects the focus on programme milestone delivery and the increasing maturity as the projects progress through the early stages through to Contract Award at SG2, the slippage on Post SG2 projects has increased.

The table below shows the overall movements between the June 2025 forecast and the baseline in March 2025.

	Spend to Date ¹		Total project costs ¹	
	Actual	Variance to baseline	Forecast outturn	Variance to baseline
Water	£15m	(£1m)	£229m	£1m
Waste	£431m	(£18m)	£2,708m	(£164m)
WINEP 7	£446m	(£19m)	£2,937m	(£163m)
LWICA	£76m	£1m	£133m	£5m
WSSRP	£33m	(£2m)	£611m	(£1m)
AMP7 Delivery Plan	£555m	(£20m)	£3,681m	(£159m)

There has been extensive engineering review and updates to the delivery programme for the Oxford project, and the Latest Best Estimate ('LBE') has significantly reduced by £149m as a result of changes to treatment process selection and flows assumptions. Aside from Oxford, the main causes of other variances are due to Delay and Prolongation affecting five projects, the need for additional scope on five projects, mostly because of hydraulic issues, and changes to Base Cost on five pre-SG2 projects.

¹ Capex values in Outturn prices including Corporate Overheads. Spend to date as of June 2025

Delivery Action Plan

Our Delivery Action Plan ('DAP') is a comprehensive set of activities which represents a commitment to build additional capacity for AMP8 and to respond positively to the requirements set out in OFWAT's recommendations and requests.

The initial DAP (draft submitted in September 2024) brought together the planned activities from our Turnaround Plan and our AMP8 Mobilisation Programme (in place at the time of developing the DAP), along with the key elements of Asset, Operations & Capital Delivery (AOCD) Deliverability Assessment. This has evolved as our Transformation Plan developed and is now bolstered by our Scaling Capital Investment programme, with the overall objective of increasing our capability and capacity to support delivery of the required AMP8 Programme.

In evolving the DAP, we agreed to group actions into categories, which provides a thematic structure easier to discuss and monitor. The themes include:

- Communication & Stakeholder
- Plan Optimisation & Efficiency
- Organisational Design
- Portfolio Controls
- Portfolio Data & Reporting
- Resourcing
- Risk
- Supply Chain

Since the inception of the DAP, we have successfully completed 34 out of 41 proposed actions. These achievements have significantly strengthened our ability to deliver the investment Plan and fostered a more integrated, scalable, and confident approach to building organisational capability.

In the last quarter we have completed three actions, within the Data & Reporting, Risk and Plan Optimisation & Efficiency categories. The deliverables include:

- Reporting Improvements and Benefits Roadmap – supporting structured progression of reporting capabilities which are aligned with programme objectives and providing stakeholders with visibility and confidence in scheduled improvements and associated benefits.
- Programme Risk Reporting Templates – building on existing project risk reports, the programme reports will support clear communication of risk, improved visibility, tracking, continuous improvement and enhanced decision-making.
- Efficiency Framework - providing a structured approach to identifying, implementing, and sustaining improvements which drive smarter delivery and continuous improvement, whilst enhancing governance and control and enabling tracking and benchmarking.

These achievements support key operating model objectives including driving insight and better control, and enhance our confidence and ability to deliver the AMP8 Investment Programme.

While we are nearing completion on several fronts, we continue to embed and scale these improvements through the Scaling Capital Initiative, which will further strengthen our overall deliverability. This is part of the Transformation Plan and reports to the CEO, CFO and COO on a fortnightly basis.

In the next quarter we will prioritise finalising transacting the optimised and agreed AMP8 Investment Plan which incorporates the delivery Plan, into our corporate systems. In addition, we will finalise the Programme Risk Management process to improve mitigation Plans and overall confidence in the deliverability and control of the programme.

What we have delivered so far

This document is focused on giving an overview of our Plans for the next 5 years, but this section has been included to give an update on some of the work we have already completed in the first 6 months of AMP8. This has been a mix of work which has carried forward from AMP7 and 'early start' work for our new projects. We will dip into 10 projects from across our water and wastewater asset base.

Mobilising AMP8

1. Water mains rehabilitation – New pipes for old

We are progressing our biggest water mains upgrade in 150 years and Plan to deliver 549km of mains rehabilitation in AMP8. We started ramping up resources last year. We are currently recruiting a fourth contractor to further strengthen our supply chain capacity – Clancy are now onboarding and will be onsite in the winter. A fourth supplier also enables us to assign a single contractor to work in each Local Authority allowing clearer lines of communication to smooth street works access and stakeholder engagement.

31.1km of new main has already been installed and we have contracts in place for delivery of the rest of the year one program

2. Coppermills Water Treatment Works – Securing supply to over customers

Coppermills is one of our largest treatments works. Through a review of onsite risks, we have developed a number of interventions to improve resilience of the site including a new 700 Ml/d High Lift Pumping Station and a 256Ml/d Slow Sand Filter (SSF) Recirculation System. We are progressing detailed design work with our consultants (now 60% complete) and have begun to deliver enabling activities on site, making use of outage windows, which will enable effective delivery of the scheme.

We have cleared land ready for construction and begun updates to the SCADA system to allow the site to operate more effectively and securely.

3. Ashford Common/Hampton Water Treatment Works – Reducing water quality risks

These schemes will upgrade the existing water treatment process at Ashford Common Advanced Water Treatment Works (AWTW) and Hampton AWTW by the installation of UV reactors to strengthen treatment resilience for increasing levels of cryptosporidium being observed in our rivers. This extra layer of treatment capacity will reduce the risk of harmful organisms entering supply. We are working effectively to get construction ready through a series of onsite

interventions - site setup has commenced, permits and authorisations are in place, and materials have been ordered.

We have delivered excellent cross-organisation working (including supply chain) to mobilise for critical enabling works including replacing slow sand filter isolation valves

We have undertaken non-intrusive surveys (Topographical/Point Cloud/Utilities) and are processing the results. Bids have been received for intrusive ground investigations, and we will shortly be mobilising these activities.

4. Oxford Sewage Treatment Works – Responding to growing demand

This scheme is planned to support forecasted population growth over the next 15 years, increasing the sites capacity to 1,434l/s whilst delivering compliance with new quality permits for ammonia, phosphorus, final effluent dissolved oxygen. We will also improve the resilience of sludge effluent stream, improve the resilience of the power supply and improve the control of the works (SCADA).

We have secured a delivery partner (Murphy) and are entering into contract for delivery.

We have successfully worked with Oxford City Council Planning team, confirming some activities can be fast tracked as permitted development and developing environmental impact assessment for the areas that require full Planning.

We have commenced installation of Mobile Organic Biofilm (MOB) in Activated Sludge Plant (ASP), installed and hydrostatically tested new pipework and begun construction of new Distribution Chambers.

5. Rye Meads Sewage Treatment Works – Reducing phosphorus outputs

We are progressing detailed scoping to meet the needs of the new phosphorus consent limit of 0.25 mg/l. This has involved working with our technical consultants to develop the best option for construction, with a chemical dosing and tertiary treatment solution being recommended as well as associated improvements to sludge assets to process the increased load.

Structured collaborative planning sessions have been held with representatives from teams at TWUL and our technical and engineering partners.

6. Didcot Sewage Treatment Works – Enabling growth and improving water quality

The primary drivers for the work at Didcot are Growth and WINEP 8. Growth incorporates AMP7 deferred scope and additional AMP8 scope in-line with local population growth. We will deliver these improvements in synergy with WINEP 8 drivers, which target a reduced final effluent consent of 0.25mg/l phosphorus.

We have successfully completed our Technical Gate 1 analysis and are moving forward with design. Survey specifications have been issued and reviewed; procurement strategy is being confirmed to allow surveys to proceed.

Continuing delivery of AMP7

7. Faringdon Storm and Siphon Replacement – Managing heavy rainfall

This project has seen significant construction activity on site to improve our ability to manage heavy rainfall.

We have achieved required shaft depth at 13 meters. This is a significant excavation equivalent to around the height of a 4-storey building.

We have installed the concrete shaft plug, doweled and grouted in the shaft.

8. Watlington Sewage Treatment Works - Enabling growth and improving water quality

This project has seen the application of low carbon and environmentally beneficial treatment options to improve the quality of water leaving the works, particularly with regards to Phosphate.

We have constructed reed bed 4 and begun a period of testing and optimisation as part of the commissioning process.

9. Kingsclere Sewage Treatment Works

We are on site making several improvements to the treatment process.

We have delivered ongoing Inlet Shaft Install Works and ongoing operation of the temporary moving bed biofilm reactor and cleaning of filter media to support onsite activities.

10. Regents Park Trunk Main – Securing supplies in the heart of London

This project is improving the health of our strategic pipe network in central London. Our trunk mains carry large volumes of water between our treatment works and the communities we serve. Good collaboration with stakeholders, including Royal Parks and Contractor allowed to an accelerated programme.

1.3km of trunk main installation completed ahead of schedule and within the challenging deadline set by Royal Parks, enabling set up of the 'Frieze' festival (a contemporary art fair) in September.

Part 1 – AMP8 Delivery Plan

A Water

Mains Renewals (PCDB1a, PCDB1b)

Currently forecasting to spend £716.4m in AMP8 against our £440.6 allowance. We are on track to deliver our FD targets.

Network Reinforcement (PCD3a)

Currently forecasting to spend £161.2m in AMP8 against our £155.9m allowance. We are on track to deliver our FD targets.

Water Framework Directive actions (PCDW5)

Currently forecasting to spend £37.6m in AMP8 against our £46.6m allowance. We are on track to deliver our FD targets.

Water WINEP Investigations (PCDW8)

Currently forecasting to spend £17.2m vs. £17.4m allowance. We are on track to deliver our FD targets.

We note that there is one investigation as part of the INNS Company-Wide Plan (08TW100041a) that has an EA regulatory date of 31/03/2030 which we currently expect to meet. This regulatory date is after the PCD deadline of end of 2027/2028. Due to the nature of investigation work, a full set of interim milestone dates has not been used to populate this table for investigations. IM1 and IM6 represent the start and completion dates for this scheme, with remaining dates populated as per Ofwat's Interim Milestone tool.

Supply (PCDW11a)

Currently forecasting to spend £75.2m vs. £95.8m allowance. We are on track to deliver our FD targets.

We have used the IM6 date and backfilled the remaining interim milestones for two schemes:

- UBA8.WAT.S42273 - Non-SRO Additional fund for DD Response: Work still to be defined.
- UBA8.WAT.S24423 - WRMP19_ML_ Didcot Raw Water Purchase: Nature of work makes this not applicable.

Metering (PCDW12)

Currently forecasting of to spend £385.8m against our £366.2m allowance. We are on track to deliver our FD targets.

The total number of outputs reported on DPW1.19 (Meter replacements) is a sum of lines DPW1.15 (Household Meter upgrades) and DPW1.16 (Non household meter upgrades), consistent with pre-populated PCD Output (Cumulative) – Targets.

We have not included Interim Milestones for this PCD, due the nature of the programme of work (high-volume, low-cost interventions delivered on a rolling basis).

Raw Water Deterioration and Taste, Odour and Colour (PCDW13, PCDW14)

While there is currently no PCD, costs relating to our UV (Crypto) raw water large-gated scheme are included in DPW4. The final allowance and any customer protection mechanism will be agreed through the submission 2 process.

Lead (PCDW15)

Currently forecasting of to spend £70.9m against our £83.4m allowance. We are on track to deliver our FD targets.

We have not included Interim Milestones for this PCD, due the nature of the programme of work (high-volume, low-cost interventions delivered on a rolling basis).

SEMD (PCDW17a)

Our current forecast is to spend £28.2m against our the £28.1m allowance. We are on track to deliver our FD targets.

We have not included Interim Milestones for this PCD, due the nature of the programme of work, i.e. purchase of bottled water.

Cyber (PCDW17b)

Our current forecast is to spend £102.2m against our the £112.0m allowance. We are on track to deliver our FD targets.

We have not included Interim Milestones for this PCD due to the delivery method used. This programme is delivered on a series of 90-day agile sprints, which are governed by our internal Cyber Steering Committee on a fortnightly basis.

B Wastewater

Wastewater Network Reinforcement (PCD 3b)

Currently forecasting to spend £123.9m in AMP8 vs. £121.7m allowance. We are on track to deliver our FD targets.

MCERT monitoring (PCDWW3)

Currently forecasting to spend £0.5m in AMP8 vs. £9.3m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Flow to Full Treatment (PCDWW4)

Currently forecasting to spend £98.6m in AMP8 vs. £135.3m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Storm Overflows (PCDWW5)

Currently forecasting to spend £437.4m in AMP8 vs. £521.5m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

One scheme (UBA8.SEW.S38550) delivers two outputs for this PCD (ThW0525 and ThW0306), therefore, although DPWW3 and DPWW4 show 105 schemes, we do forecast to deliver all 106 outputs referenced in PR24PCD113.

Storm Overflow – Wetland (PCDWW5b)

Currently forecasting to spend £45.0m in AMP8 vs. £63.1m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Treatment for chemical removal (WINEP/NEP) (PCDWW7)

Currently forecasting to spend £115.5m in AMP8 vs. £189.2m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

P-removal (PCDWW10)

Currently forecasting to spend £659.0m in AMP8 vs. £1,183.2m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Treatment for tightening of sanitary parameters (PCDWW12)

Currently forecasting to spend £60.4m in AMP8 vs. £69.0m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Wastewater Investigations (PCDWW18)

Currently forecasting to spend £52.0m in AMP8 vs. £40.4m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Due to the nature of investigation work, a full set of interim milestone dates has not been used to populate this table for investigations. IM1 and IM6 represent the start and completion dates for these investigations, with remaining dates populated as per Ofwat's Interim Milestone tool.

Growth to Sewerage Treatment Works (PCDWW27)

Currently forecasting to spend £249.2m in AMP8 vs. £172.9m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Bioresources - IED and Reg changes (PCDWW30)

Currently forecasting to spend £290.5m in AMP8 vs. £151.6m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

W Resilience CC Uplift (PCDWW32)

Currently forecasting to spend £27.9m in AMP8 vs. £31.2m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

As per the PCD output measure, we have calculated the expenditure as the percentage of the FD allowance spent, with data taken from our Planning system as a snapshot for this submission.

PR19 WINEP Carryover actions (PCDWW35)

Currently forecasting to spend £1,367.2m in AMP8 vs. £1,006.6m allowance. We will deliver some/all of the PCD outputs after the regulatory target date.

Ofwat listed 66 WINEP outputs (including 5 against 7TW100021AoN group)². However, as we are subject to under-performance penalties against Oxford and Maple Lodge (and no Oxford outputs and only 1 (7TW200123) of 2 Maple Lodge WINEP7 drivers are listed in the 66), we have added 2 outputs against PCDWW35 to make a total of 68 WINEP outputs. Table DPWW4 provides the breakdown of these forecast costs.

In the pre-populated template received, all WINEP7 outputs are listed in wastewater tables (DPWW1 and DPWW2). However, 13 of the schemes are water related. We have reported all WINEP7 deliverables and expenditure in tables DPWW1 and DPWW2 consistent with the pre-populated template, this is inclusive of WINEP7 carryover schemes that do not have a PCDWW35 associated with them. The 13 water related schemes are:

#	Scheme	Description
1	K035.01	Alleviation of low flows - Bexley WTW
2	K560.01	Low flow mitigation TV - river restoration work - Farmoor
3	K560.02	Low flow mitigation TV - river restoration work - Sulham Brook
4	K560.03	Low flow mitigation TV - river restoration work - Pann Mill
5	K560.04	Low flow mitigation TV - river restoration projects - Chess
6	K036.01	Alleviation of low flows - Hawridge
7	K559.01	River improvements - Lower Lee
8	K561.01	Low flow mitigation London - Upper Cray Restoration
9	K561.02	Low flow mitigation London - Upper Darent Restoration - Sundridge
10	K561.03	Low flow mitigation London - Upper Darent Restoration - Westerham Hill PS
11	K561.04	Low flow mitigation London - Wandle Restoration - Brantwood Road, Croydon
12	K561.05	Low flow mitigation London - Wandle Restoration - Waddon Pumping Station
13	K360	WINEP - catchment management

Note: WTW – Water Treatment Works

This submission includes all the relevant projects that have been historically reported in the AMP7 Delivery Plan. As we have combined this AMP7 reporting within this submission there are 8 AMP7 schemes that only in part contribute to PCDWW35. These are:

#	Scheme	Description
1	J971.01	Kingston Bagpuize STW Growth and Quality
2	J984.01	Cranleigh STW Flow Compliance & P-Removal
3	K298	Maple Lodge STW Quality AMP7 New Permit
4	K444.04	WWNI Fleet STW P-removal
5	K677.01	WWNI Woking STW Storm Tank & Low P
6	K759.01	WWNI Watlington STW FTFT & Low P
7	K560.01	K560.04 LF Mitigation TV (shown as four individual lines on DPWW4)
8	K561.01	K561.05 LF Mitigation London (shown as five individual lines on DPWW4)

Note: STW – Sewage Treatment Works

² In document PR24CA117 WINEP and GER Carryover PCDs

To make sure that the total project costs is reported, whilst separating the PCDWW35 driver we have split the cost by the number of drivers. E.g. For J971 Kingston Bagpuize STW Growth and Quality (AMP7 carry over scheme) with a storm tank and ammonia driver, only the ammonia driver is linked to PCDWW35. As there are 2 drivers, costs in table 4 have been split 50%:50%.

C Mapping of IM dates to internal TW stage Gates

We have assumed the following mapping between Thames Water's Stage Gates and Ofwat's Interim Milestones:

Thames Water Stage Gate	Ofwat's Interim Milestones
SG0	IM1
SG1	IM2
SG2	IM3
SG3	IM4
SG4	IM5
Benefit Realisation	IM6
N/A	IM7

We have revised our alignment between our TW Stage Gates and Ofwat's Interim Milestone 6 to align with our Benefit Realisation date. In our May submission we used SG5 (Project completion – final accounts closed) as a proxy of IM6. Aligning to the SAP reported Benefit Date is more accurate reflection of Ofwat's IM6 definition.

Not all IM/SG dates are individually tracked in our corporate systems. For certain PCDs in DPW4 and DPWW4 (i.e. investigations) we have used Ofwat's interim milestone tool to populate the data tables.

These PCDs are:

- PCDW8 – Water WINEP Investigations: IM1 and IM6 used only representing start and completion of investigations.
- PCDW11 – Supply: We have used the IM6 date and backfilled the remaining interim milestones for two schemes for the following reasons:
- UBA8.WAT.S42273 - Non-SRO Additional fund for DD Response: Work still to be defined.
- UBA8.WAT.S24423 - WRMP19_ML_ Didcot Raw Water Purchase: Nature of work makes this not applicable.
- PCDW12 – Metering: Not included due to the programmatic nature of work.
- PCDW13&14 - Raw Water Deterioration and Taste, Odour and Colour: For, Lead and PFAS Strategies IM1 and IM6 used only representing start and completion.
- PCDW15 – Lead: Not included due to the programmatic nature of work.
- PCDW 17a – SEMD: Not included due to nature of work.
- PCDW17b – Cyber: Not included due to nature of delivery method.
- PCDWW18 –WINEP Investigations: IM1 and IM6 used only representing start and completion of investigations.



D Risks to PR24 Programme Delivery

As part of our delivery work, we actively identify and manage risks. We have highlighted six risk themes which produce the largest challenge across the Plan, these along with our proposed management mitigations, are set out below:

Risk/Description	Causes	Effects	Mitigations
Immature scope definition There is a risk that the original scope formulation might be underdeveloped, which may result in alternative scope selections during option definition.	unvalidated initial solutions: early solution designs were developed without time to undertake full site validation/surveys, reducing scope reliability. asset condition uncertainty: variable understanding of existing asset conditions may necessitate scope revision. inconsistent asset data: condition assessments are outdated, incomplete, or vary across regions, undermining scope accuracy. fragmented stakeholder inputs: divergent stakeholder priorities (internal and external) and potential misinterpretations dilute scope clarity. legacy documentation gaps: historical records and asset registers are missing, inaccurate, or inaccessible.	scope expansion: alternative options may broaden the scope beyond initial expectations, increasing complexity. cost escalation: revised scope may drive up capital expenditure and delivery costs. programme replanning: delivery timelines and sequencing may require significant adjustment. stakeholder friction: misalignment on scope may lead to disputes, governance challenges, and decision-making delays. reduced benefit realisation: strategic outcomes, including environmental improvements, compromised due to misaligned scope.	pre-SGO preparation: initiate advanced studies to improve understanding of cost and timescale drivers, enabling more informed option development and planning. leadership capacity uplift: introduction of heads of asset planning for London and Thames Valley regions, with clear source-to-tap ownership to strengthen strategic oversight. technical depth expansion: increase team capacity by onboarding system leads and additional asset planners to enable deeper analysis of asset performance and risk exposure. prioritisation framework: establish a structured prioritisation model categorising actions into <i>must do</i>, <i>should do</i>, and <i>could do</i> to guide resource allocation and delivery focus.
Outage availability constraints impacting strategic delivery milestones There is a risk that the availability and duration of required outages could undermine delivery efficiency and strategic	outage dependency: delivery relies on securing planned outages to install and commission assets. site coordination complexity: AMP8 is the largest and most complex investment programme since privatisation, complicating outage scheduling. competing programme demands: multiple concurrent schemes create conflicts for limited outage windows.	programme slippage: misaligned or unavailable outage windows delay commissioning and delivery milestones. delivery inefficiency: increased rework, mobilisation delays, and resource rescheduling across delivery teams. cost escalation: extended timelines and inefficient execution drive up capital and operational costs.	site-level workshops: conducted across key London and Thames Valley sites to align project schedules with outage plans and improve cross-functional coordination. batching of works: grouping activities at site level to optimise delivery efficiency and minimise disruption. enhanced tranching & delivery identification: improved segmentation of work packages and clearer identification of responsible delivery teams.



Risk/Description	Causes	Effects	Mitigations
alignment across different strategic programmes .	scope growth pressure: expanding scope increases outage requirements beyond initial planning assumptions. procurement misalignment: early procurement strategies may not align with actual outage availability, creating timing mismatches. external environmental disruption: extreme weather events (e.g. flooding, heatwaves, droughts) reduce outage flexibility and increase risk of deferral. deteriorating asset condition: ageing assets may reduce operational resilience, limiting the ability to safely isolate systems for outages.	operational disruption: outages risk service continuity and operational performance resulting in an unacceptable operational risk. escalation requirement: greater need for internal escalation and governance intervention to secure critical outage access.	enhanced meeting cadence: regular coordination meetings between asset planning, operations, and capital delivery aligned to key outage windows. spatial & outage awareness: improved understanding of spatial constraints and outage priorities through workshops; design and mitigation plans reviewed regularly. sponsorship model introduced: named sponsor assigned to each programme to ensure oversight from initiation through to completion. tracked enabling activities: region-wide tracking of enabling works led by dedicated outage managers to ensure readiness and sequencing. early resource mobilisation: increased involvement of delivery partners at the early stages of enabling activities to support key AMP8 deliverables.
<i>Deteriorating asset condition undermining delivery and strategic outcomes</i> There is a risk that the existing asset conditions might be worse or deteriorating quicker than anticipated	limited asset intelligence: existing asset condition data is variable, outdated, or inconsistent across regions. hidden degradation: subsurface or inaccessible assets may have deteriorated beyond visible or recorded assessments and access makes assessment difficult. legacy infrastructure: ageing infrastructure presents higher risk of failure during intervention or commissioning. environmental stressors: external factors such as flooding, drought, or temperature extremes accelerate asset wear. reactive maintenance history: historical underinvestment in proactive	scope reassessment: poor asset condition may require redesign, re-scoping, or alternative technical solutions. cost escalation: increased capital and operational costs due to unplanned interventions and contingency measures programme delays: additional time required for asset validation, redesign, and rework may delay key milestones. service disruption: asset failure during works may impact operational continuity and customer service.	team expansion at asset planner level: increase team size to enable more granular analysis of asset lifecycle, maintenance practices, and failure rates. AMP-focused planning: asset planners now dedicated to AMP delivery, ensuring alignment with programme milestones and strategic priorities. maintenance regime review: comprehensive review of both capital and operational maintenance strategies to optimise performance and reduce risk. cam scoring implementation: apply cam scoring to assess the impact and drivers of each project, supporting prioritisation and investment decisions.



Risk/Description	Causes	Effects	Mitigations
	renewals/replacement has led to unpredictable asset performance. operational overload: assets are operating beyond their intended capacity, increasing breakdown vulnerability.	reduced benefit realisation: strategic outcomes may be compromised due to diverted resources/ delivery inefficiencies.	asset health improvement: gated allowances secured through PR24 could allow an additional £1bn on asset health investment beyond base allowances
AMP7 carry-over scope impacting AMP8 delivery There is a risk that carry-over projects from AMP7 might have an adverse impact on AMP8 programmes, particularly in the early stages of mobilisation and strategic alignment	delayed AMP7 delivery: incomplete or delayed AMP7 projects are rolling into AMP8, consuming early-phase resources. resource overlap: shared delivery teams, suppliers, and site access are stretched across both AMP cycles. outage scheduling conflicts: AMP7 works require outage windows that clash with AMP8 mobilisation plans. budgetary pressure: AMP7 cost overruns reduce available capital flexibility for AMP8 investments. strategic misalignment: AMP7 scope may not fully align with AMP8 priorities, creating delivery inefficiencies.	programme congestion: AMP8 mobilisation is delayed due to unresolved AMP7 delivery dependencies. cost escalation: overlapping delivery and rework drive up capital and operational expenditure. delivery inefficiency: resource and outage conflicts lead to fragmented execution and reduced productivity. benefit realisation risk: environmental and regulatory outcomes may be compromised due to misaligned scope and timing.	enhanced delivery office flexibility: increased adaptability in delivery teams to better accommodate evolving project needs and site conditions. tranching for continuity: structured tranching of works to ensure continuity, contingent on contractor skill levels and availability, linking AMP7 and AMP8 scope where possible. project consolidation opportunities: identify and combine AMP7 & AMP8 projects where site alignment allows, improving efficiency and reducing duplication. expanded asset planning team: increased team size to support improved alignment of projects, enabling better coordination/ strategic planning.
Supply chain capacity constraints impacting programme delivery There is a risk that supply chain partners might not have sufficient capacity or availability to meet the scale and pace of Thames Water's AMP8 delivery requirements	national demand pressure: high industry-wide demand for skilled suppliers and materials is limiting availability. pace of programme acceleration: rapid ramp-up of AMP8 delivery outpaces supplier mobilisation capacity. specialist resource scarcity: limited availability of niche technical expertise (e.g. meica, civils, commissioning). inflationary market conditions: rising costs and commercial uncertainty reduce supplier appetite or stretch capacity. geographic concentration: regional clustering of projects creates localised supply bottlenecks.	delivery delays: inability to mobilise suppliers on time causes slippage in programme milestones. cost escalation: scarcity drives up prices for labour, materials, and subcontracted services. reduced quality assurance: overstretched suppliers may compromise on quality or compliance. increased commercial risk: reliance on a limited pool of suppliers	early engagement with supply chain and suppliers: initiate proactive discussions with key suppliers and delivery partners to align expectations, identify constraints, and accelerate readiness for AMP8 delivery. share longer term plans to allow supply chain to grow with greater certainty of future programmes of work.



Risk/Description	Causes	Effects	Mitigations
	procurement lead time: long lead times for critical materials and frameworks delay supplier onboarding. competing infrastructure programmes: national infrastructure initiatives (e.g. energy, transport) compete for same supply base.	heightens exposure to contract failure. strategic delivery risk: inability to secure supply chain capacity may delay or dilute environmental outcomes.	
Planning delays due to increased AMP8 workload and local authorities There is a risk that Planning approvals will face increased delays or restrictions	planning authority resource constraints: local borough planning teams and statutory consultees are under-resourced, leading to response times beyond statutory targets. land acquisition dependencies: schemes requiring land purchase face protracted negotiations, delaying the initiation of planning discussions. biodiversity net gain requirements: automatic pre-commencement conditions triggered by habitat loss (>25m²) require early strategic planning and may necessitate additional land or biodiversity unit purchases. insufficient technical review capacity: limited in-house capability to peer review contractor submissions, especially for specialist technical content, increases risk of the local planning authority ('LPA') rejections or requests for further information. under-resourced LPA & statutory bodies: limited resources within LPA and statutory consultees (e.g. environment agency) contributing to delays in responding beyond the agreed timeframes. incomplete early design inputs: planning applications are delayed due to insufficient design maturity at early stages.	programme delays: programme delivery timelines are extended, impacting AMP8 milestone achievement. regulatory penalties: increased risk of fines from the regulator due to missed delivery outcomes. abortive and stand-down costs: financial losses from work commenced without planning consent, including stand-down costs and rework. portfolio-level delivery risk: strategic portfolio outcomes are jeopardised by cumulative planning delays across multiple schemes. reputational impact: perceived inefficiency in delivery may affect stakeholder confidence and future investment decisions.	flood risk assessment: conduct early flood risk assessments to inform site selection and design strategies. AMP8 delivery planning: develop an early view of the AMP8 delivery plan to align stakeholders and resources. supply chain engagement: engage supply chain partners early to identify and address capacity constraints. planning & stakeholder strategy: establish robust planning, stakeholder management, and communications strategies. land acquisition planning: initiate land acquisition processes to avoid delays in mobilisation. local authority engagement: begin early engagement with planning and local authorities to streamline approvals.

E High-profile scheme selection

High-profile schemes are those that are likely to attract significant interest from stakeholders, such as schemes that underpin significant areas of growth or environmental improvements, or those which will require significant oversight due to their complexity, sequencing or scale.

Ofwat set out six criteria for high profile schemes³: scale (size or costs), timing, complexity, critical for growth, stakeholder priority and risks to delivery. Ofwat also highlighted that they expected three schemes - Oxford, Rye Meads and Didcot wastewater treatment works - to be identified as high-profile.

In total, we have identified 13 high profile sites. To do so, our delivery teams provided insight on timing, complexity and risk, while our public affairs team (responsible for stakeholder relationships) assessed stakeholder priorities and criticality for growth. We used comparative analysis to assess size and cost variables.

#	TWUL scheme reference	Scheme name	PCD reference	Reason classified as high profile
1	K298	Maple Lodge STW upgrade	WW35	Scale, complexity, stakeholder priority
2	UBA8.SEW.S40439 J954 UBA8.SEW.S38256	Didcot STW upgrade	WW27	Scale, complexity, stakeholder priority
3	K245	Oxford STW upgrade	WW10/12	Scale, complexity, stakeholder priority
4	UBA8.SEW.S39010	Rye Meads STW upgrade	WW10	Scale, complexity, stakeholder priority
5	L842	Bracknell STW upgrade	WW7/10/12	Scale, complexity, stakeholder priority
6	J009	Guildford STW relocation	WW35	Scale, complexity, critical for growth
7	J568	East Hyde STW upgrade	WW35	Scale, complexity
8	UBA8.SEW.S38959	Hogsmill STW upgrade	WW10	Scale, complexity, stakeholder priority
9	UBA8.SEW.S39487 UBA8.SEW.S41910	Moreton in Marsh STW upgrade x2	WW27/10	Complexity, stakeholder priority
10	UBA8.SEW.S38926	Swindon STW upgrade	WW10	Stakeholder priority
11	UBA8.SEW.S40428	Cassington STW upgrade	WW27	Critical for growth, stakeholder priority
12	L479	Hampton crypto risk reduction	W13/14	Scale, complexity, risk to delivery, gated
13	L844	Ashford UV crypto risk reduction	W13/14	Scale, complexity, risk to delivery, gated

³ Ofwat Delivery Planning guidance (July 2025)

The projects above are covered by both PCD and/or the gated delivery mechanism.

The schemes that we have identified fall into two categories:

- Interventions at large sewage treatment works which will have significant environmental benefits and/or keep pace with growing demand; or
- Planned ultra-violet ('UV') schemes at water treatment works which will provide significant resilience in the production of high-quality drinking water.

Part 2 – AMP7 Delivery Plan

This section of this report provides an overview and update of the status of Thames Water’s AMP7 Delivery Plan as at the end of Quarter 1, Year 1 and follows the first report which provided the Year 1 baseline for the Thames Water AMP7 Delivery Plan (AMP7 DP) submitted on 12 May 2025.

The requirement for the AMP7 DP relates to AMP7 enhancement schemes with completion dates in AMP8, an overview of the DP is provided in Appendix 1.

Reporting Baseline

The Year 1 annual baseline for the AMP7 Delivery Plan is set in April 2025 and based upon the March 2025 position as reported in TMS corporate systems.

The conclusions in this report and the commentary provided are based on the variances between the current report (June 2025 data) date and the annual baseline (March 2025 data) as shown in Table 1 below.

Data Period	Report Issue Deadline	Applicable Baseline	Programme Coverage
December 2024	31 January 2025	Q3RF 2024 (Dry-Run)	AMP7 Enhancement Carryover Only
March 2025	30 April 2025	Set Year 1 Baseline	
June 2025	12 August 2025	March 2025	AMP7 Carryover + AMP8 Enhancement
September 2025	31 October 2025	March 2025	
December 2025	31 January 2026	March 2025	
March 2026	30 April 2026	Year 2 Baseline	

Table 1 – Reporting Baseline and Timetable

Some AMP7 projects have been delivered earlier than initially scheduled achieving their output within AMP7 despite being originally included in the AMP7 Delivery Plan. These are shown in the section ‘Outputs delivered in AMP7’ of this document.

Overview of the capital delivery programme

The Capital Delivery Programme (now called Major Projects & Programmes) consists of two principal elements, AMP7 Carry over and AMP8, in total across AMP8 this totals £10 billion in AMP8 (capex in outturn prices including corporate overhead) and consists of over 900 projects.

The AMP7 DP represents £3.0 billion in AMP8 and 124 outputs across 108 projects with project costs ranging from £0.7million to over £500 million, as presented in Table 2 below:

	Number of projects	Number of outputs	Outturn prices ⁴		2022/23 prices ⁴	
			AMP8 Forecast	AMP9 Forecast	AMP8 Forecast	AMP9 Forecast
Water	18	19	£213m	£2m	£179m	£2m
Waste	80	95	£2,227m	£101m	£1,868m	£80m
WINEP	98	114	£2,440m	£103m	£2,048m	£81m
LWICA	5	5	£67m	-	£59m	-
WSSRP	5	5	£523m	£63m	£440m	£50m
AMP7 Delivery Plan	108	124	£3,030m	£166m	£2,546m	£132m

Table 2 – Thames Water AMP7 Delivery Plan

The AMP7 DP consists of 108 projects, of which 16 deliver 2 outputs (1 in WINEP Water and 15 in WINEP Waste), resulting in a total number of outputs of 124. The 124 outputs consist of 119 Regulatory outputs in relation to WINEP (114) and WSSRP (5), as well as 5 outputs relating to LWICA. Please note that the Apr 25 report included 110 projects (126 outputs). This included the WINEP Wastewater outputs delivered by the Lewknor STW Low P project (L697)⁵ and the Mill Green STW Low P project (K649). It was subsequently confirmed that the two projects achieved their BenF date in March 2025. Therefore, the projects have been removed from the AMP7 DP scope in this report (and from the Baseline as well). In addition, the scope of the Brentwood STW P-removal output, previously delivered against project K556.03 (as reported in the April 2025 report) has now been transferred to project L477 - Brentwood STW WAAP and P-Removal that also delivers WAAP scope. Both the current forecast and Baseline have been amended to reflect the transfer of the P-removal scope to the new project.

In our April report, the total outturn forecast for AMP8 and AMP9 were £2,995m and £372m respectively. In this quarter the AMP8 and AMP9 forecasts were £3,030m and £166m respectively. There has been extensive engineering review and updates to the delivery programme for the Oxford project and as a result the LBE has significantly reduced by £149m as a result of changes to treatment process selection and flows assumptions. Aside from Oxford, the main causes of other variances are due to Delay and Prolongation affecting five projects, the need for additional scope on five projects, mostly because of hydraulic issues, and changes to Base Cost on five pre-SG2 projects.

⁴ Capex value including corporate overheads based on June 25 forecast

⁵ Subject to further internal assurance

AMP7 Delivery Plan performance

The following sections set out the primary areas of Plan performance, firstly considering the two key Stage Gates in delivery, SG2 and SG3 for the AMP7 DP Projects. The definitions of RAG status, thresholds for reporting commentary and categories are provided in Appendix 2.

The Output delivery milestone is known as Benefit Achieved ('BenF') and represents the point at which the Output is claimed. Internally the BenF follows the completion of commissioning and represents the point that the designed, constructed and commissioned Plant has been demonstrated, by commissioning sampling data, to meet the output requirements and is operating as intended providing benefit to the environment.

In previous reports and submissions of data a period of two months was added to the system forecast BenF date to allow for our sampling analysis, collation of evidence and completion of reports to submit to the Environment Agency. Notification of BenF to the Environment Agency, with evidence of exactly when benefit to the environment was achieved, occurs on average 2 months after the scheme has provided the benefit. For this submission the 2-month period has been removed from the forecast BenF date to align with the AMP8 Delivery Plan requirements (refer to Part 1). To preserve the integrity of the variance reporting the 2-month period has also been removed from the AMP7 DP Baseline (however, there is a resultant 2-month difference from the data provided in the April 2025 version).

The benefit to the environment should occur prior to the carrying out of a contractual reliability test, a period of normally 28 days where the commissioned Plant must operate in fully automatic mode. The completion of this test is a prerequisite of Thames Water Operations taking over the Plant and the transfer of operational responsibility, represented by Stage Gate 4. Stage Gate 5 is the completion of the Defects Liability Period and agreement of the contract Final Accounts – the project is therefore closed at this point. This is typically 12 months following Stage Gate 4.

Outputs Delivered in AMP7

The 16 outputs listed in Table 3 below have been achieved by end of March 2025 and so were delivered within AMP7. Those outputs were part of the original AMP7 DP submitted and presented in the previous reports. They have now been excluded from the scope of the AMP7 DP. Please note that the outputs in relation to the Lewknor STW and Mill Green STW Low P projects were not reported as being delivered in AMP7 in the Apr 2025 report but were subsequently confirmed to have achieved their BenF date in March 2025 (subject to further internal assurance). Therefore, the projects have been removed from the AMP7 DP scope in this report.

Project ID	Project Title	WINEP ID	WINEP Driver	Dosing Site
J009	Guildford STW Relocation Delivery	THM00085	P Green	
J970.01	Chobham STW New Quality Permit	THM00657	Ammonia	
K174.13	Stone	FLO01296	Storm Tank	
K174.14	Middle Barton	THM00107	Storm Tank	
K415.01	WWNI Hook Norton STW Storm Tank & Low P	FLO01274	Storm Tank	
K415.01	WWNI Hook Norton STW Storm Tank & Low P	THM00533	P Amber in Plan	
K441.01	Chertsey STW Inlet Works & Storm Tank	FLO01249	Storm Tank	
K444.03	Easthampstead STW P-removal & F Comp	THM00662	P Green	●
K649.01	WWNI Mill Green STW G2G and Low P	HNL00216	P Amber/not in Plan	
K542.01	WWNI Ramsbury STW FTFT	THM00098	FTFT	
K556.03	BRENTWOOD (Nags Head Lane) STW P-removal	HNL00253	P Green	
K563.01	WWNI Middleton Cheney STW New Permit	THM00671	Ammonia	
K932.01	WWNI Bentley STW P-removal	THM00581	P Amber/not in Plan	●
L707.01	Merstham STW Low P	KSL00171	P Green	●
L697.01	Lewknor STW Low P ⁶	THM00538	P Amber in Plan	●
L714.01	Kimpton STW Low P	THM00669	P Green	●

Table 3 – AMP7 WINEP – Projects achieving Output in AMP7

⁶ Site is undergoing further internal assurance

The delivery of 17 outputs with a WINEP7 Phosphorus requirement was accelerated through the provision of package dosing equipment on the sites concerned. The majority of this work is complete and in operation (chemical being dosed) now, although sampling and monitoring of works performance is ongoing, five of the outputs were able to be claimed in March 2025; one output (Hatfield Heath STW) has been claimed in the first quarter of Year 1 of AMP8; Table 4 below presents the 17 outputs and their latest status.

WINEP ID	Project Title	Project ID	Status	BenF date	BenF v Baseline (days)
THM00581	Bentley STW	K932.01	Output achieved 	AMP7	
THM00662	Easthampstead STW	K444.03	Output achieved 	AMP7	
THM00669	Kimpton STW	L714.01	Output achieved 	AMP7	
KSL00171	Merstham STW	L707.01	Output achieved 	AMP7	
THM00538	Lewknor STW ⁷	L697.01	Output achieved 	AMP7	
HNL00229	Hatfield Heath STW	L473.01	Output achieved 	Apr 2025	(838)
HNL00252	Epping STW	L713.01	In operation	Oct 2028	-
HNL00211	Epping STW	L713.01	In operation	Oct 2028	-
THM00494	Barford St Michael STW	L695.01	In operation	Mar 2026	+335 
HNL00221	Barkway STW	L742.01	In operation	Oct 2025	+186 
THM00521	Elstead STW	L708.01	In operation	Mar 2026	(322)
THM00543	Marsh Gibbon STW	L696.01	In operation	Mar 2026	+335 
THM00558	South Leigh STW	L700.01	Not yet dosing	Mar 2026	+335 
HNL00228	Takeley STW	K645.01	In operation	Mar 2026	-
7TW200731	Weston-on-the-Green STW	L692.01	In operation	Mar 2026	(365)
THM00660	Croughton STW	K428.01	In operation	Sep 2026	+20
KSL00234	Merstham STW	L707.01	In operation	Mar 2028	(15)

Table 4 – AMP7 WINEP – Works to achieve compliance at targeted sites with WINEP7 Phosphorus schemes

Four of the remaining outputs to be delivered are currently showing as slipping in our analysis. However, many of the sites are in operation (dosing plant has been installed, commissioned) and in the process of being optimised in line with the sampling and analysis on site prior to being able to demonstrate that the output has been achieved.

⁷ Site is undergoing further internal assurance

Gate Approval Progress

For the purposes of assessing performance, we focus on SG2, 3, and the date at which we expect the output to be achieved – BenF. The following sections consider these three milestones. The categories used in the analysis are more fully explained in Appendix 2.

Since March 2025, 5 projects have been awarded and moved from pre SG2 to post SG2.

Stage Gate 2 – Main Contract Award

Stage Gate 2, the point at which we have awarded the mains works to a contractor, is the key milestone for the AMP7 DP. Chart 1 below summarises the distribution of movements in SG2 across the 108 DP projects from the position in the Baseline (March 2025 position).

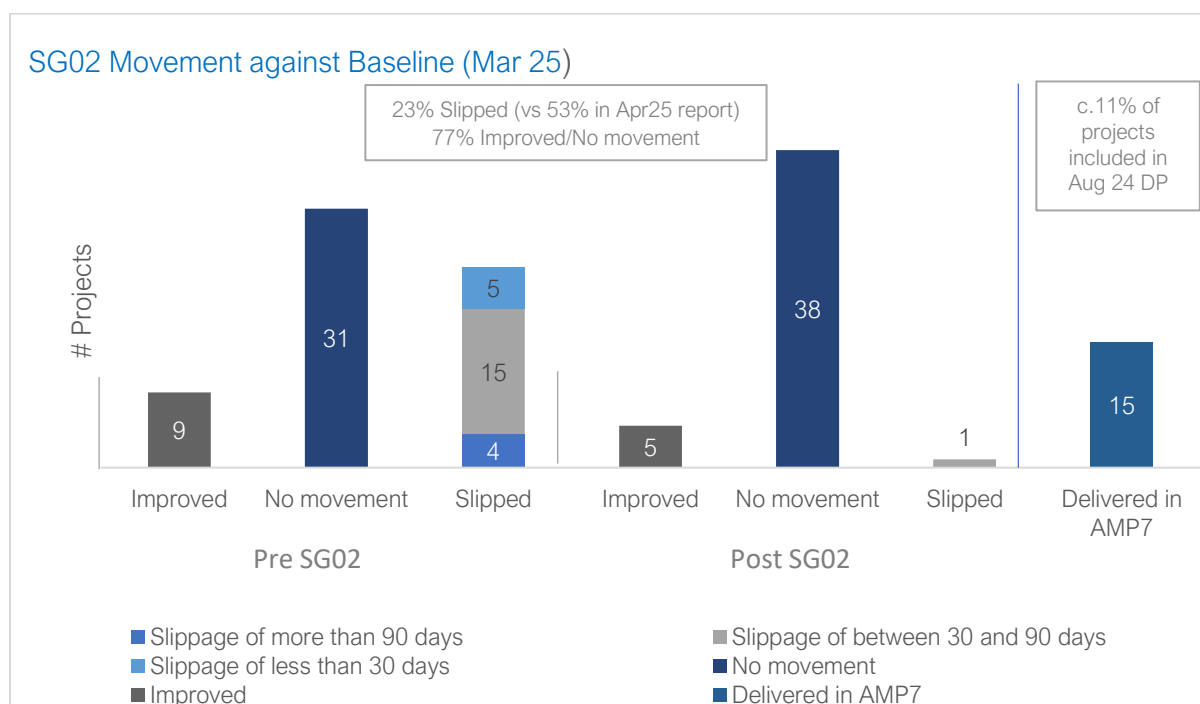


Chart 1 – Stage Gate 2 movement analysis (June 2025 Position vs March 2025 Baseline)⁸

The above chart shows the projects with outputs still to be delivered, and also (as described in the Outputs Delivered section), the 16 outputs (across 15 projects) have been claimed within AMP7. The percentage slipped figure is therefore limited to those with outputs still to be delivered.

The overall stability of the programme has improved since March which can be seen for the SG2, SG3 and BenF forecasts. For SG2 there is a reduced 23% overall slippage compared to 53% in March (as would be expected through the logic of our schedules). The number of projects that have remained as forecast in March has similarly increased from 41% to 64%, although there has been a small reduction in the number of projects showing an improved SG2 forecast.

Progression of the projects through to SG2 remains a key focus and as described above there has been improvement over the first quarter. For the projects that have been delayed the main

⁸ Includes projects progressed through Stage Gate 2 since baseline period.

cause of delays remain attributed to 'Engineering Solution' covering c.56% compared to 40% in March.

Stage Gate 3 – Contract Solution Review and Notice to Proceed

Stage Gate 3, the point at which the Contractor proposes the designed solution and receives approval (from the Thames Water Project Manager) to proceed with procurement and construction. This precedes works starting on site and is a gateway to ensure that all the required contract deliverables are in place. Chart 2 below summarises the distribution of movement across the 108 DP projects from the position in the Baseline (March 2025 position).

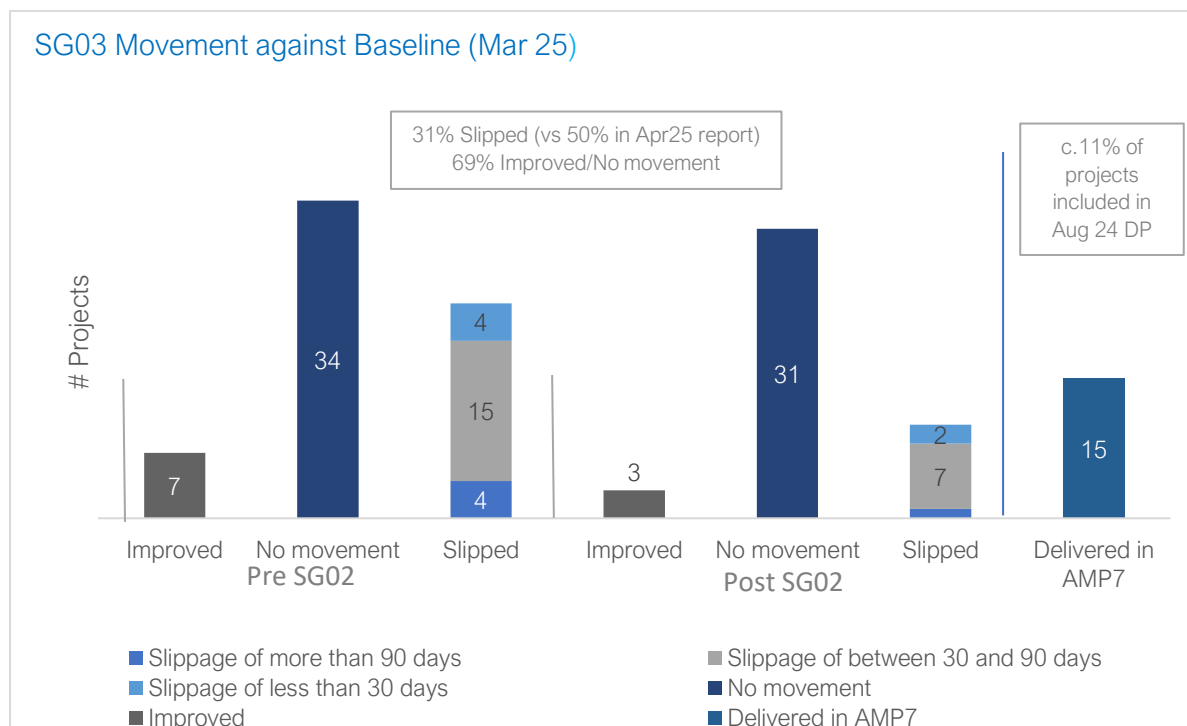


Chart 2 – Stage Gate 3 movement analysis (June 2025 Position vs March 2025 Baseline)

The above chart shows the projects with outputs still to be delivered, and also (as described in the Outputs Delivered section), the 16 outputs (across 15 projects) that have been claimed within AMP7. The percentage slipped figure is therefore limited to those with outputs still to be delivered.

Due to the logic linkages within the schedules, the SG3 performance is similar to SG2. For SG3 there is a reduced 31% overall slippage compared to 50% in March, and the number of projects that have remained as forecast in March has similarly increased from 32% to 60%. As with SG2 there has been a small reduction in the number of projects showing an improved SG3 forecast.

There are instances where strategic decisions are made to delay the SG2 to enable the contractor to commence design ahead of Contract Award. This has the benefit of early contractor involvement as well as improving the Contractor's understanding to support the submission of their Target Cost proposals.

BENF variance to Regulatory Date

As described above, BenF is the milestone showing when the Regulatory Benefit can be demonstrated as achieved. As some projects deliver multiple outputs with potentially different BenF milestone dates, the section below analyses movements on outputs, not projects as presented in the previous sections for SG2 and 3 milestones.

Table 5 below summarises the variance between BenF dates and Regulatory dates across the 119 Regulatory outputs (WINEP and WSSRP outputs only):

# Regulatory Outputs	WINEP Waste	WINEP Water	WSSRP	Total Reg Outputs	
Reg Date forecasted to be achieved	1	-	4	5	4%
Reg Date missed by less than 30d	-	-	-	-	-
Reg Date missed by 30d to 90d	-	-	-	-	-
Reg Date missed by more than 90d	94	19	1	114	96%
Total Reg Outputs	95	19	5	119	100%

Table 5 – BenF variance analysis to Current Reg Dates (June 2025 Position)

114 Regulatory outputs (out of 119) are currently forecasted to miss their Regulatory Date. This is a static position as many of the projects have been forecasting to miss their Regulatory Dates, consistent with the fact that they are AMP7 Carry Overs.

Chart 3 below shows the analysis of the BenF movements across the 124 DP outputs (including 5 outputs in relation to LWICA) from the position in the Baseline (March 2025 position).

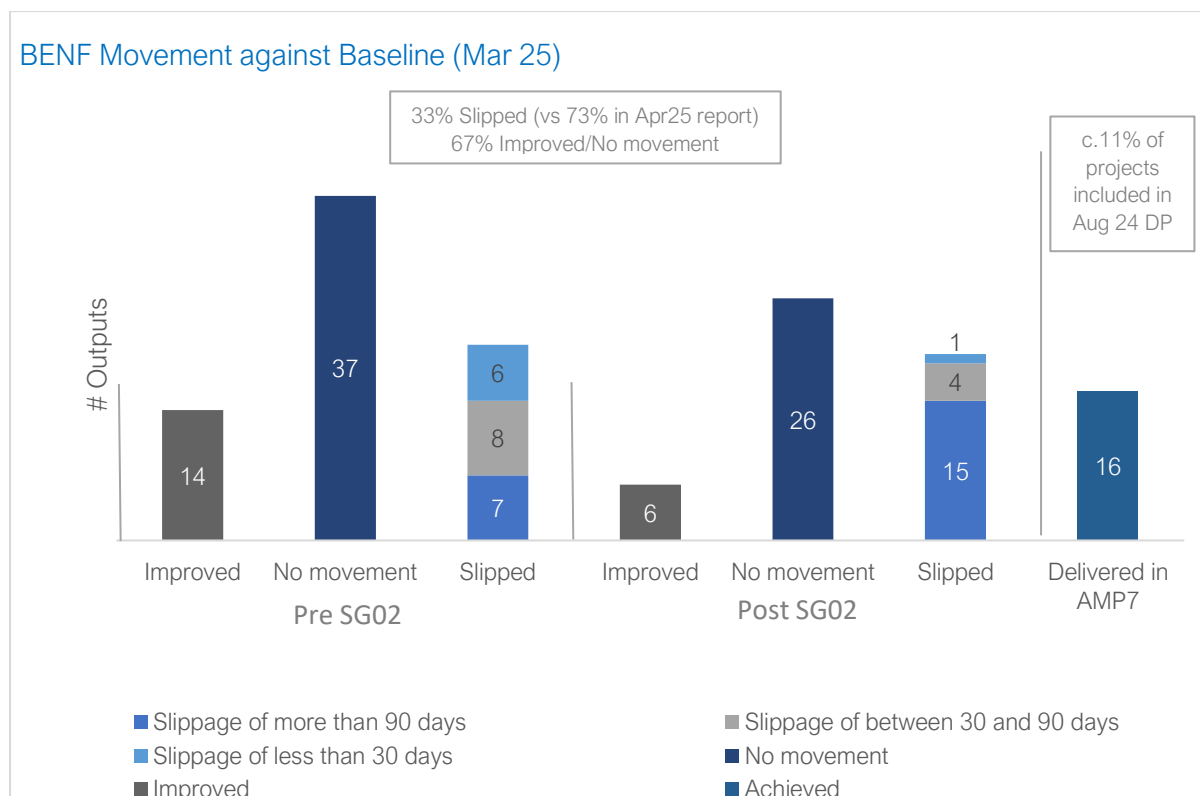


Chart 3 – BenF movement analysis (June 2025 Position vs March 2025 Baseline)

The above chart shows the projects with outputs still to be delivered, and also (as described in the Outputs Delivered section), the 16 outputs that have been claimed within AMP7. The percentage slipped figure is therefore limited to those with outputs still to be delivered.

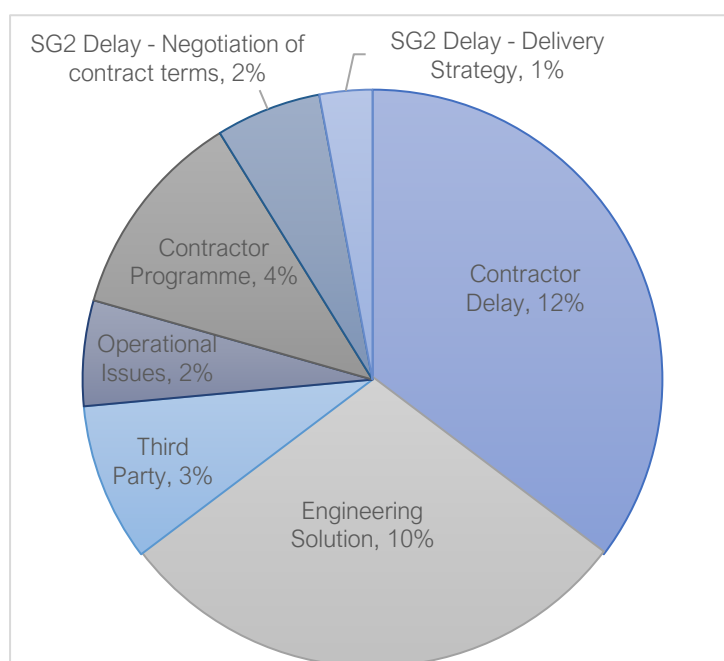
The number of projects affected by slippage in June is now equally split between those that are pre-SG2 and post-SG2.

As with SG2 and 3 the overall stability of the programme has improved since March which can be seen for the SG2, SG3 and BenF forecasts. For BenF there is a reduced 33% overall slippage compared to 75% in March. The number of projects that have remained as forecast in March has

similarly increased from 13% to 51%, and there has been an increase in the number of projects showing an improved SG2 forecast from 13% in March to 16% in June.

This is a significant improvement compared to recent months and reflects the focus on programme milestone delivery and the increasing maturity as the projects progress through the initial stages through to Contract Award at SG2. The Compliance Delivery Optimisation Reviews (CDOR), described in the previous reports have now been concluded which has assisted in the stabilisation of programmes. It remains early to conclude the overall delivery improvement impact of these reviews however the increase in numbers of projects showing an improved BenF forecast is encouraging.

Root causes for the projects that have been delayed between March and June are presented in Chart 4 (see Appendix 2 for further explanation of each category).



As mentioned earlier, the proportion of delay associated with engineering solution has reduced, with a corresponding increase in contractor delays. There has been a slight increase in contractor programme, reflecting the increased number of projects which are moving into the contract negotiation and award phases.

The remaining categories are similar to that reported in March, there are currently no variances attributed to TW Resources, or the SG2 Delay categories of RFP Period, Value for Money and Delivery Strategy.

Chart 4 – Categorisation of Project slippage

The delay categories can be further split between Internal and External factors, showing which categories are within TW control and which are driven by other parties. Table 6 below shows this breakdown.

Categorisation	Total	Internal / External Classification	
Contractor Delay	12	External	50%
Third Party	3		
Engineering Solution	10	Internal	50%
Operational Issues	2		
SG2 Delay - Negotiation of contract terms	2		
SG2 Delay - Delivery Strategy	1		
Subtotal	30		100%
Contractor Programme	4		
Total	34		

Table 6 – Categorisation of delay showing internal and external breakdown.

The classification of Contractor programme as an External factor reflects the origin of the variance being an external party. As the generation of a more detailed schedule could equally be reflective of underestimation of durations on TW's part (which would then make it an Internal factor) it is more helpful to remove this category. This then means that there are thirty categorised delays with a 50/50 split between each.

Budget Adherence

In this section the financial performance considers two main items, the expenditure to date and the forecast outturn for the project, otherwise referred to as Latest Best Estimate (LBE).

Expenditure to Date and Forecast Outturn

The overall forecast outturn of the programme is summarised in Table 7.

For the Phosphorus Dosing sites (see Table 4 in the Outputs Delivered section), as the remaining scope requirements are finalised following the demonstration of the output, then the remaining forecast will be transferred to a new project and the WINEP project will be completed and closed. This process requires detailed review of the scope and is expected to take up to three months.

	Spend to Date ⁹		Total project costs ⁹	
	Actual	Variance to Baseline	Forecast Outturn	Variance to Baseline
Water	£15m	(£1m)	£229m	+£0m
Waste	£431m	(£18m)	£2,708m	(£164m)
WINEP 7	£446m	(£19m)	£2,937m	(£163m)
LWICA	£76m	+£1m	£133m	+£5m
WSSRP	£33m	(£2m)	£611m	(£1m)
AMP7 Delivery Plan	£555m	(£20m)	£3,681m	(£159m)

Table 7 – Spend to Date and Forecast Outturn Summary

Forecast Outturn has broadly remained in line with the Baseline except for the WINEP Waste projects. Following extensive engineering review and updates to the delivery programme, the Oxford project LBE has significantly reduced by £149m. A revised process design utilising more of the existing process units in a higher intensity design has enabled overall savings to be forecast. Within the Annex the variances for each of the projects are shown, and categorisation and explanation are provided in accordance with the thresholds explained in Appendix 2. Table 8 below shows the categories of cost variance

Cost Variance Category	Number of projects	%
Delay / Prolongation	9	35%
Additional Scope Requirements	5	19%
Base cost change	5	19%
Change / New Requirements	5	19%
Forecasting Error	2	8%

⁹ Capex values in Outturn prices including Corporate Overheads

Table 8 – Cost Variance Categorisation

The main cause of variance relates to cost increases due to Delay and Prolongation. These have occurred on nine projects, the largest three are on site: Guildford STW Relocation Delivery, Burstow STW Growth & Flow Compliance, and Pentonville Road Trunk Main Replacement. The remaining six schemes are a smaller increase in costs, refer to Annex 1 for the details.

Cost increases due to Need for additional scope occurs on five projects, the most significant of these are Banbury STW FTFT and Low P, WWNI Therfield STW Storm Tank & Low P, and WWNI Drayton STW FTFT Storm Tank & G2G where the additional scope requirements are mainly associated with hydraulic issues.

Cost increases due to Base Cost Change have also occurred on five projects, in this case all of which are pre-SG2. The largest of these is on our Major Project at Slough STW WW Quality AMP7 New Permit, where the estimates have been revised ahead of awarding the contract (in July 2025). Both WWNI Hogsmill STW Storm Tank and WWNI Woking STW Storm Tank & Low P have also been re-estimated although contract award is not forecast until April 2026 and March 2026 respectively.

Expenditure by Stage

Expenditure between Stage Gates shows the relative proportions of activity for each stage. This data is useful to show the relationship between the spend before and after Main Contract procurement. Overall, the totals are not expected to move from quarter to quarter, however it is important to monitor given that these proportions are used as a template for future Planning. The overall forecast outturn of the programme is summarised in Table 9. Chart 5 shows the change from this period compared to the Baseline (March 2025 position).

	Pre SG2	SG2-3	SG3-4	SG4-5	Total spend ¹⁰
Water	£20.0m	£12.0m	£1976.8m	£0.3m	£229.1m
Waste	£206.9m	£207.5m	£2,213.5m	£80.3m	£2,708.2m
WINEP	£226.9m	£219.5m	£2,410.3m	£80.6m	£2,937.3m
WSSRP	£221.7m	£1,010.7m	£488.3m	£0.2m	£610.9m
LWICA	£8.0m	£9.0m	£112.2m	£3.5m	£132.7m
AMP7 Delivery Plan	£256.7m	£329.1m	£3,010.8m	£84.3m	£3,680.9m

Table 9 – Spend by Stage Gate

¹⁰ Capex values in Outturn prices including Corporate Overheads

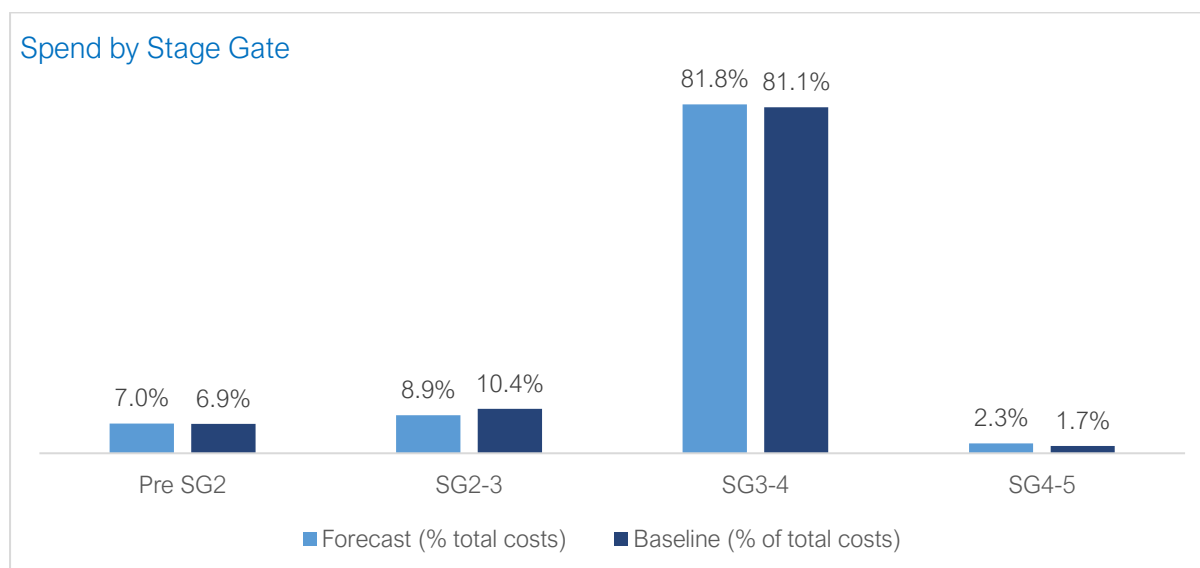


Chart 5 – % Spend by Stage Gate – Variance to Baseline (Mar 2025 position)

Most of the expenditure is in the main Contract works phase SG3-4. The pre-SG2 phase is predominantly Thames Water's costs (including commissioning of surveys and design works). SG2-3 is the Contractors' design phase, there are instances where we would Plan to flex the proportions in each of these phases, particularly where we engage the contractor earlier than SG2 (ECI).

Risk Management

Detailed explanation of the Risk Management terms data and reports used by Thames Water are provided in Appendix 3. The risk position within the AMP7 Delivery Plan is shown in Table 10:

All DP projects	Risk Exposure		Risk Provision	
	Current	Target	Forecast	Remaining vs Baseline
Water	£5.5m	£5.0m	£7.5m	£7.2m
Waste	£40.1m	£29.4m	£65.0m	£238.9m
WINEP 7	£45.6m	£34.4m	£72.5m	£246.0m
LWICA	£6.5m	£4.8m	£6.9m	£2.3m
WSSRP	£59.8m	£35.2m	£2.4m	£3.4m
AMP7 Delivery Plan	£111.9m	£74.4m	£81.8m	£251.7m

Table 10– Risk Position (All DP projects)

The remaining Risk v baseline for Waste is showing a large value, this is because of the drop in overall forecast LBE for the Oxford project, as described in the Budget Adherence section earlier in this report.

Post SG2 projects	Risk Exposure		Risk Provision	
	Current	Target	Forecast	Remaining vs Baseline
Water	£5.5m	£5.0m	£7.5m	£7.4m
Waste	£14.1m	£10.0m	£10.7m	£3.8m
WINEP 7	£19.6m	£15.0m	£18.2m	£11.2m
LWICA	£6.5m	£4.8m	£6.9m	£2.3m
WSSRP	£59.7m	£35.1m	£2.4m	£3.4m
AMP7 Delivery Plan	£85.8m	£54.9m	£27.5m	£16.9m

Table 11– Risk Position (Post SG2 projects)

Appendix 1 - AMP7 Delivery Plan Summary

The AMP7 DP is provided in an Excel format as Annex 1: AMP7 Delivery Plan Data - Jul 2025. The DP consists of the following elements from Table 2 above:

- Wastewater WINEP
- Water WINEP
- WSSRP – Trunk Mains and Resilience Improvements

The Wastewater WINEP programme overlaps with our Wastewater Asset Assurance Programme (WAAP). Scope to address both the main WINEP Need and the Needs from WAAP are often combined into one project; this will be reflected in the project title, and whilst scope for the delivery of the WAAP needs is separate, combining with the other enhancement drivers' scope can lead to more efficient and effective delivery of both.

Some AMP7 WINEP schemes are forecasted to complete later than their original regulatory deadline dates specified in the WINEP programme. In some cases, shown in purple shading in Annex 1: AMP7 Delivery Plan Data – July 25, the Environment Agency has agreed an extension to the regulatory deadline as we have set out the reasons for delay and those reasons meet the Environment Agency's criteria for granting an extension (in short, the delays were due to unforeseeable reasons outside of Thames Water's control).

There are, however, many other schemes where the delay to delivery is not for a reason that meets the Environment Agency's criteria for a deadline extension. We recognise that for these schemes, the delays to AMP7 projects may create challenges for compliance with new environmental permit requirements. We carried out a review to identify options for accelerating the delivery of compliance and identified fifteen projects with a WINEP7 Phosphorus scheme where this was possible. The majority of this work is complete and in operation now. We provide an updated status in the AMP7 Delivery Plan performance Section.

Other Project Reporting

Some of TMS projects are now subject to additional Ofwat reporting requirements to Ofwat. The schedule and cost information provided in these reports will be consistent with this Delivery Plan. However, there may occasionally be timing differences related to the period being reported on. The main projects subject to these additional reporting requirements are reports are Oxford and the Water Supply System Resilience Programme (WRSSP) including our largest Water project at Coppermills.

Oxford STW

The Oxford project has been subject to significant stakeholder interest and TMS has commenced Quarterly Assurance Reporting from March 2025.

The Quarterly Assurance Report provides an overview on the progress made in delivering the investment Plan at Oxford STW. The initial report covered the period 1 January 2025 to 31 March 2025 and is intended for the EA, DEFRA, and Local Authorities. The next update is due for publication at the end of July for the period April to June 2025. We also publish a quarterly summary Oxford STW update on our website.

Water Supply System Resilience Programme (WSSRP)

Coppermills Water Treatment Works is a critical project included as part of the Water Supply System Resilience Programme (WSSRP) and contains both Infrastructure and Non-Infrastructure scope.

The WSSRP programme is reported on a 6 monthly basis. In this AMP7 Delivery Plan the following Projects are included within the WSSRP Programme and as such are also included in the 6-monthly reporting:

Project ID	Project Title
K665	Coppermills System Resilience. Includes the following elements: • High Lift Pumping Station (HLPS) • Process Stage Failure • Contact Tank (CT) Drain Down (design High Lift Pumping Station (HLPS) • Process Stage Failure • Contact Tank (CT) Drain Down (design)
L169.01	Hampton WTW TWRM Structural Fault WSSRP
L191.01	Hampton WTW GJ Vehicle Barrier (WSSRP)
L193.01	Hampton WTW Bulk Recycling (WSSRP)
L204.01	Mogden TWRM Shaft Pump Out (WSSRP)

Table A1 – Projects within the Delivery Plan that are also covered by WSSRP Reporting

The last report was submitted in January 2025, reporting on the December 2024 position. The next report is due in July 2025 and will report on the June 2025 position.

London Water Improvement Conditional Allowances

The London Water Improvement Conditional Allowance (LWICA) programme is reported on a quarterly basis and includes trunk main, mains replacement and pressure management schemes. Both the WSSRP and LWICA Reports are externally assured prior to submission.

The following trunk main projects are included within the Conditional Allowance programme and as such are also included in the quarterly AMP7 Delivery Plan reporting:

Project ID	Project Title
K371.01	Pentonville Road Trunk Main Replacement
K372.01	K372 Fortis Green to Cockfosters Trunk M
K374.01	Victoria Station 30in Trunk Main
K375.01	Surbiton 30in no 1 & 3 Trunk Mains
K493.01	Mile End Park & Station

Table A2 – Projects within the Delivery Plan that are also covered by LWICA Reporting

Four other trunk main schemes are included within the Conditional Allowance programme, but these were completed in AMP7 and therefore are not included in this AMP7 Delivery Plan.

We have submitted a report in July 2025, reporting on the June 2025 Position. The October 2025 report will update this with the September 2025 position.

Appendix 2 – AMP7 DP RAG Status and Reporting Thresholds

In the Delivery Plan data, there are categorisation and commentary provided against the variances to the annual baseline, Table A3 below sets out the thresholds for identifying changes by red, amber or green (RAG) status and the commentary requirements in each case.

Variance against annual baseline	RAG	Narrative requirements / Comments	
Cost			
LBE >5% or £1m		Categorisation and Commentary to be Provided	
LBE Within +1 to +5% or below £1m		Categorisation only	
Increase in LBE within +1% or £200k		None	
Variance < 0% or <£0		None	
Time			
<i>Regulatory Benefit Milestone (BenF)</i>			Commentary on movement to the forecast Regulatory output (BenF v Regulatory Date), if there is no movement in the forecast BenF commentary to be provided on the other SG milestones.
Moved more than 90d later than Baseline		Categorisation and Commentary	
Moved up to 90d later than the Baseline		Categorisation only	
BenF no movement		None	
BenF improved		None	
<i>Other SG Milestones (if no effect on BenF above)</i>			No additional commentary required where there is both movement in BenF and SG milestones; most likely that these are the same underlying causes.
Forecast moved more than 90d later		Commentary on risk to BenF	
Forecast slipped to within 30d to 90d later		Categorisation only	
Forecast slipped to within 30d later		None	
Forecast improved		None	
Output			
Change required to the output / permit (Alteration agreed with the EA)		Commentary and reference to alteration	

Table A3 – Thresholds for RAG and Commentary

The categorisation initially set out is as below:

Cost

- **Additional Scope Requirements:** Additional scope has been necessary to include but the overall objectives of the Scheme in terms of outputs and/or benefits remains unchanged.
- **Change / New Requirements:** Change to the requirements to increase or decrease the Scheme's outputs.
- **Delay / Prolongation:** Delays encountered, or forecasted, have resulted in increased Latest Best Estimate (LBE) due to prolongation of project and/or increased exposure to Inflation.
- **Base cost change:** The base costs are higher than expected or initially estimated.
- **Forecasting Error:** Errors in the forecast that occur in a single period and are corrected in subsequent periods.

Time

- Engineering Solution: Impact associated with either finalising the Engineering Solution (approved at SG1) or revising the solution to suit the requirements of delivery (approved at SG2 or SG3)
- TW Resources: Impact associated with the levels of available internal Thames Water Resources:
- Contractor Programme: Change as a result of the development of a detailed design and construction programme
- Contractor Delay: Delays encountered by the contractor during Detailed Design, Construction and/ or Commissioning
- Operational Issues: Impact as a result of TMS operational issues, including inability to provide outages, availability of Network Service Technicians or other restrictions
- Third Party: Impact as a result of external third parties such as Landowners, Local Authorities, Utilities providers or Infrastructure Asset owners
- Extraordinary Weather: Impact as a result of extraordinary weather (site flooding, drought etc.)
- SG2 Delays
 - i. *Delivery Strategy*: Delay to the award of Contract for strategic reasons; management decision to change the timing of contract award
 - ii. *Extended RFP Period*: Delay to the return of a Request for Price (RFP) from the Contractor
 - iii. *Negotiation of contract terms*: Delay caused by protracted negotiation of contract terms and conditions such as risk ownership allocation.
 - iv. *Value for Money*: Delay caused by reviews to ensure that the project can demonstrate that it represents Value for Money ahead of seeking governance

Appendix 3 – AMP7 DP Risk Management

Our current process supports the project teams to understand their risk exposure, both current and target position and determine a best Risk Forecast to be included in their overall forecast outturn (or Latest Best Estimate (LBE)), for their monthly cost reporting. This also supports the teams to understand the sufficiency of their remaining risk provision compared to the remaining forecast to complete, and likelihood of remaining within their Governed allowances.

We use this project level risk data to produce monthly risk information to the Major Projects and Programmes Leadership Team, via a monthly Performance Report. This includes the performance for each of the Delivery Offices. Furthermore, individual reports are produced for each of the Heads of Programme Delivery for their respective programmes. This risk reporting covers the following data:

Qualitative Risk Key Performance Indicators (KPIs):

- i. Number and percentage of Controllable Risks,
- ii. Number and percentage Uncontrolled Risks, and
- iii. Response Throughput (this is a proxy for the project teams' activity and focus on risk management).

Quantitative Analysis of the Risk data:

- i. Sufficiency of budget (sufficiency of the remaining headroom in forecast outturn to Governed baseline to cover the assessed risk exposure).
- ii. Confidence in delivering to baseline budgets.

Within the Annex additional Risk data has been provided for this report. The definitions below used for each section and column headings in the Annex are as follows.

Category Columns:

Risk Exposure (Forecast)

An assessment of how much we expect to spend due to future uncertainties, (i.e. risk events): A quantification of the range of potential variance around the Latest Best Estimate of predicted outturn. This is the Expected Monetary Value (EMV) - a calculated value used to capture a ranged risk exposure as a single point value representing the mid-case, or most likely estimate, of the expected spend on each risk event.

The risk exposure is calculated per risk as the average impact multiplied by the risk's probability of occurring, which are then summed to calculate the project's EMV.

Risk Provision

Amount that has been allowed for in the Baseline (Budget) for future uncertainties, known as the "Risk Pot". Initially, this is the value of the agreed Budget / Baseline which is intended to be spent on the impact of future uncertainties, (risks). Once the project is underway it will change based on the actual spend on the impact of those risks.

For each of the columns

Column AQ: **Current** Risk Exposure:

- i. Based on the project's risk register, the project team's assessment of their risk exposure as of March 2025, this is the aggregate EMV for all risks on the project's risk register.
- ii. Reviewed for: whether the project's current risk exposure appears significantly higher or lower than expected relative to Cost to Complete.
- iii. Response: Additional intervention by Risk Specialist in the project's risk reviews, to confirm process adherence and support quality of risk assessment.

Column AR: **Target** Risk Exposure:

- i. Based on the project's risk register, the project team's assessment of what their Risk Exposure could be following successful completion of future mitigation activities. This is the aggregate EMV for all risks on the project's risk register.
- ii. Reviewed for: whether the level of mitigation suggested ($1 - \text{Target} / \text{Current}$) aligns to the stage of the project. For example, high mitigation late in the project, or very low mitigation early in the project.
- iii. Response: Additional intervention by Risk Specialist in the project's risk reviews, to confirm process adherence and support quality of risk assessment.

Column AS **Forecast** Risk Exposure:

- i. Taking account of the Current & Target Risk Exposures, as well as their confidence in their proposed mitigations, etc, the project team's estimate of what they expect to spend on future uncertainties. This is the single point value which the project has captured as part of the LBE Forecast.
- ii. Reviewed for: Whether the Forecast Risk is based on the Risk Exposure, with the expectation that it would be between the Current and Target.
- iii. Response: Validation check to establish if there are exceptional reasons for the Risk Exposure and Forecast Risk to be misaligned.

Column AT **Remaining** Risk Provision:

- i. At the point the baseline is set, this is the value of the Risk Provision allocated in that Baseline. Subsequently, this is the value of that Risk Provision which remains after changes in the Forecast (whether Spend to Date or FTC) have been accounted for.
- ii. Calculated from balancing the non-Risk LBE-Variance (the summed Variance of the LBE other than Risk) against the Risk Provision, for example, if a project's non-Risk LBE has increased by £1m the Risk Provision would be reduced by £1m.
- iii. Reviewed for: Whether the Forecast Risk is significantly greater than or less than the Remaining Risk Provision. This then behaves as a proxy to whether overall Forecast is significantly greater than or less than the project's Baseline.

Response: Projects with an overall Forecast significantly greater than or less than their Baseline are initially flagged to the Project for resolution (management action, or additional budget request, or for potential budget hand back). If unresolved, or if variation is great enough, the Projects are flagged via the reporting described above.