Eastern powerhouse

East Cambridgeshire District Council

A network of local reservoirs: Providing water resilience and security to unlock growth in the region

A report for East Cambridgeshire District Council

July 2025

"Be part of the region"

A unifying vision for the East of England

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Foreword

In East Cambridgeshire, water security is not a distant challenge, it is a present and pressing issue that directly affects our ability to grow sustainably and provide the homes, jobs, and environment our communities deserve. The proposal set out in this report, to create a local network of agricultural reservoirs integrated with existing drainage infrastructure, represents a transformative opportunity.

By capturing surplus winter flows, water that currently has to be pumped out to sea at great expense – and storing it for use during the dry summer months, we can turn a flood risk into a vital resource. This approach not only reduces pressure on drainage systems during periods of heavy rainfall, but also ensures a steady supply for homes, businesses, and agriculture when it is most needed. In doing so, it creates opportunities to restore wetlands, rewet peat soils, and enhance habitats for wildlife, making our water system part of a wider effort to recover biodiversity. It is a practical expression of resilience working with the natural cycle of abundance and scarcity to safeguard our communities, support our economy, and protect the unique landscapes of the Fens.

This report addresses a stark truth, without a reliable and scalable water supply, East Cambridgeshire, and indeed, much of the East of England, will struggle to deliver the development our region urgently needs. As Leader of East Cambridgeshire District Council, I am proud that we are not only highlighting this challenge but stepping forward with practical, innovative solutions.

The proposal is not just about ensuring access to water, it is about unlocking a more resilient, sustainable, and inclusive future for our district and our region. By leveraging the ingenuity of local farmers, landowners, and institutions, we can create a smarter and greener system that meets demand, enhances biodiversity, and strengthens our local economy.

This is not a substitute for national infrastructure investment. Rather, it is a complementary and urgent local response that can help bridge the gap between ambition and reality. The water infrastructure that underpins our lives must evolve, and it must do so with local voices at the table and local leadership at the helm.

East Cambridgeshire is ready to lead. This report is our call to action, for government, regulators, and partners across the region to join us in turning a local solution into a national exemplar.

Cllr Anna Bailey

Leader,
East Cambridgeshire District Council

1. Introduction

East Cambridgeshire is a low-lying rural district primarily located within the South Level of the Fens, the UK's largest coastal wetland. The district is highly exposed to climate-related risks from rising sea levels, increased frequency of heavy rainfall, higher average temperatures, and prolonged droughts. The Fens have already experienced damaging events, including the tidal surge of 2013 and the drought of 2018. 2022 was also a hot dry summer which caused water shortages, while 2025 could turn out to be a more serious issue than previous years. In 2018 and 2022 the farmers with adequate water had record breaking crop yields. With adequate supply of water the hotter weather will make the region's agricultural sector more productive, representing an economic opportunity. These incidents, while episodic, reveal systemic fragilities that threaten assets, land use and livelihoods.

East Cambridgeshire's economic future hinges on its ability to adapt to these changes. The local authority, working with the Mayoral Combined Authority and external agencies, has a pivotal role in planning for the transition toward climate resilience. But in doing so the district faces several competing policy challenges.

East Cambridgeshire is one of the fastest growing rural districts in the country. New housing and infrastructure are urgently required to meet the substantial increase in population, with communities being planned to the north of Ely, as well as in Soham and Littleport. The local economy is heavily dependent on agriculture, food production, tourism, and a growing base of knowledge intensive employment linked to Cambridge.

In addition, the ambition to further grow the wider regional economy, particularly in and around Greater Cambridge, will require the provision of secure and sustainable water and waste services. This presents a considerable challenge to the integrity of the water system and the natural environment, which underpins not just housing growth but jobs, land value, and food security.

Uncertainty over long term water supply and infrastructure planning is creating a bottleneck for housing and inward investment. Major developments have been stalled due to concerns over water scarcity. At the same time economic development must be aligned with wider environmental goals, to protect Grade 1 and all good quality agricultural land, and limit CO2 emissions, habitat loss, soil degradation, and biodiversity decline which demand a more sustainable and integrated approach to land management.

This report offers a regional perspective on the UK's water policy framework. It puts forward a practical proposal to build a network of agricultural reservoirs in the Fens, which can provide an affordable, sustainable and secure water supply while protecting the environment. This is not an alternative to the plans for a new reservoir in the Fens. Rather it is a complementary solution that can help meet the growing demands on water supply in the East of England up until, and after, a new reservoir is completed.

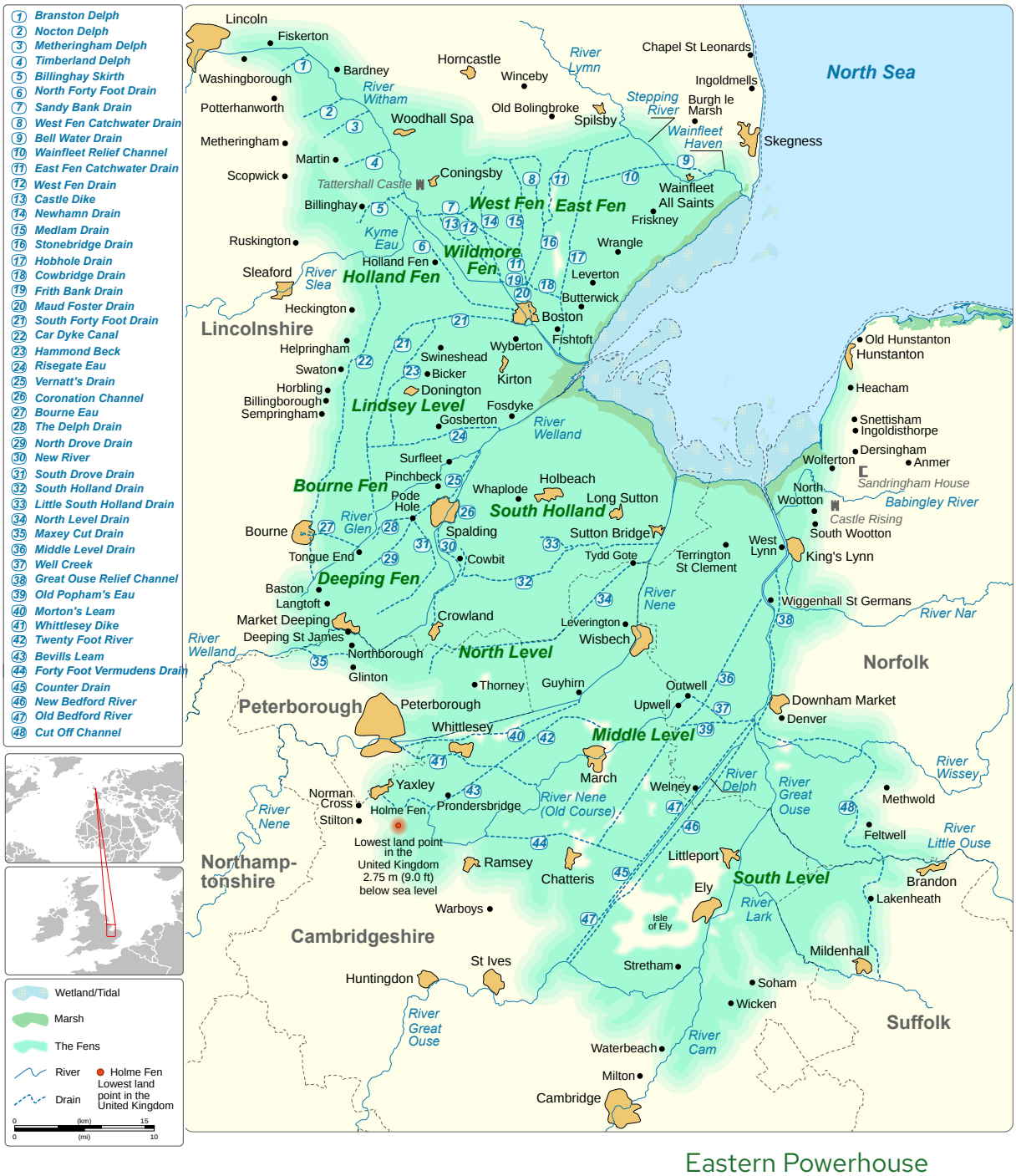
This proposal is focused on integrated catchment and management to establish a local water system that enhances national infrastructure, accelerates economic delivery and addresses increasing climate change. With strong local leadership and vision this can position East Cambridgeshire as a key player in the region's transition to a more sustainable economy while offering a model for other rural districts in the region to adopt a similar approach and unlock the potential for growth.

2. The Climate Change risk to the Fens

The Fens, or Fenlands, are a low-lying region historically characterised by marshland and covering nearly 1,500 square miles across parts of Lincolnshire, Cambridgeshire, Norfolk, and Suffolk. Though largely inland, most of the Northern and Middle Level Fens lie close to the Wash and remain just a few metres above sea level, although the Southern Level is slightly below sea level making them especially vulnerable to floods.

Over centuries, the land has been systematically drained using dykes, man-made rivers, and pumping stations to enable agriculture and settlement. While this has transformed the area into one of the UK's most productive farming regions, containing around half of England's Grade 1 agricultural land, vital to the UK's food security, it has also caused the land to subside over time, necessitating ever higher flood defences.

Ecologically, the Fens were originally rich wetlands with unique water chemistry supporting distinctive habitats and species. Much of this natural biodiversity has been lost due to land reclamation.



The Fens are highly vulnerable to climate hazards due to their low elevation, extensive reliance on drainage infrastructure, and intensive land use. The 'Fens Climate Change Risk Assessment (awinnovationhub.co.uk/wp-content/uploads/2024/11/Fens-Climate-Change-Risk-Assessment-Final-4.pdf)'(Jenkins, K., Nicholls, R.J., Sayers, P.B, Redhead, J., Price, J., Pywell, R., He, Y., Minns, A., Tozer, N., Carr, S (2024) The UK Fens Climate Change Risk Assessment: Big challenges and strategic solutions. Tyndall Centre for Climate Change Research, University of East Anglia, Norwich) identified a number of challenges facing the Fens region of eastern England, including:

- flood risk (tidal, fluvial, surface) which is expected to increase, with more frequent and severe events due to sea level rise and changing rainfall patterns
- drought and water scarcity which will also become more pronounced, threatening both agriculture and water-dependent ecosystems

Sea levels around the Fens are projected to rise by 0.29 to 1.15 metres by 2100, depending on emission scenarios. This poses significant long term risks to flood defences, drainage systems, and land viability.

More intense rainfall and rising groundwater levels, combined with **ground subsidence** (natural and agricultural) will put **greater pressure on drainage infrastructure**, and the need for Internal Drainage Boards (IDBs) to increase pumping capacity. Many existing assets are ageing and will require substantial investment or reconfiguration.

The Fens' £3 billion **agricultural economy** is highly sensitive to both flooding and drought. Crop yields may be impacted by changes in growing seasons, soil salinisation, and water shortages. So, without adaptation, economic productivity, food security, and land values are at risk.

Wetlands and peat soils are key carbon stores and habitats. Peat degradation and drying accelerate CO_2 emissions and reduce resilience to climate change. Opportunities exist to enhance **nature based solutions** like wetland restoration, floodplain reconnection, and regenerative agriculture.

Over 350,000 people live in the Fens and many of these communities have relatively high levels of deprivation and rural isolation. Heat, flood, and service disruption risks are expected to disproportionately affect **vulnerable communities** without targeted intervention.

The challenges suggest an **urgent need for adaptation planning** through:

- catchment wide water management
- infrastructure renewal
- policy reform to support land use transition
- community engagement and local leadership
- long term investment frameworks

East Cambridgeshire falls squarely within the Fens area and shares many of the identified risks. This reinforces the urgency for the local authority to:

- invest in integrated water infrastructure systems
- support farming transition and agri-environment schemes
- plan for housing and economic growth under changing environmental conditions
- engage in regional partnerships, for example, with the Fens Panel, Water Resources East, Internal Drainage Boards, Cambridgeshire and Peterborough Combined Authority, and the Cambridge Growth Company

3. The national and regional water challenge

Across England, the security and sustainability of water supply is under strain. As outlined by the Environment Agency, over extraction from chalk aquifers and river systems threatens both ecosystems and long term public supply (Environment Agency (2021). Water Resources Planning). The East of England is at the frontline of this risk. Chalk streams, such as the River Cam and Lark, are experiencing depletion, while peat soils across the Fens are drying and oxidising, contributing to carbon emissions and biodiversity loss. With low rainfall, intensive agriculture, and population growth focused on Greater Cambridge, it is one of the most water stressed areas in the UK (Water Resources East (2022). Regional Water Resources Plan).

The region faces a projected water shortage of **800 million litres per day by 2050** representing about one third of current use. The water supply is insufficient to meet the projected population growth of 6 percent let alone ambitious growth plans. Although Cambridgeshire is one of the driest regions in the country **the problem is not a lack of water**. Indeed, the Fens are traversed by a complex network of rivers, streams, dykes, and drains which were created to manage water levels and facilitate agriculture.

Three major rivers run through the county, the Nene, the Ouse and the Cam. The Nene and the Ouse are long rivers, drawing water from the Northamptonshire Cotswold hills and Bedfordshire plateau, before crossing the county, the Cam draws its water from chalk aquifers and streams along the local East Anglian Heights, part of the Chiltern hills. All three rivers deliver substantial excess water during the winter months. Indeed, significant efforts have to be made in the region to pump excess water out into the North Sea, at great cost to Fenland farmers and taxpayers, only then to restrict water supplies for all users during the summer. Dependent on rainfall, huge volumes of water are pumped out at great cost every day through at least six months of the year (usually, but not only, the winter). The rivers are above sea level, and above the level of surrounding land, so this water is pumped up into the rivers which discharge into the Wash and the North Sea. All the South Level water goes into the Wash through Denver Sluice. The issue is therefore not simply about scarcity, it is also about the capacity to store water and the ability of existing systems to respond dynamically to growth.

The UK has not provided adequate investment in major infrastructure solutions over many decades, the last major reservoir in England was completed in 1992 (Carsington Water is a reservoir, operated by Severn Trent Water, between Wirksworth and Kniveton in Derbyshire, England. It is England's ninth-largest reservoir with a capacity of 36,331 megalitres. Planning for the reservoir started in the 1960s. The finished reservoir was opened by Queen Elizabeth II in 1992.) and the current water management system does not encourage innovation or private investment in water storage, while regulation suppresses the potential for developing local water economies. The position is further complicated by numerous agencies (the Environment Agency, Ofwat, the Drinking Water Inspectorate) operating in relative silos.

Although East Cambridgeshire District Council has not received any formal objections to development from the Environment Agency on the grounds of unsustainable water abstraction, the neighbouring districts of Huntingdon and South Cambridgeshire have faced objections to housing schemes(www.localgovernmentlawyer.co.uk/planning/401-planning-news/54371-environment-agency-objects-to-4500-homes-schemes-in-cambridgeshire-over-water-supply-fears). This constraint places local authorities in a policy bind. On the one hand, they are mandated to enable housing and employment growth; on the other, they must ensure that development is environmentally sustainable and consistent with statutory water and climate objectives. The status quo, in which responsibility for infrastructure rests primarily with private water companies regulated at national scale, is proving inadequate to respond with the speed and spatial sensitivity required.

The National Infrastructure Commission (NIC) acknowledged this difficulty in their report on water supply infrastructure which called for 'a new model of shared responsibility between central government, regulators, utilities, and place based institutions to accelerate delivery'(National Infrastructure Commission (2023). Meeting the Challenge: Long-Term Water Supply Infrastructure, page 38). East Cambridgeshire is ready to be that place.

4. The limits of centralised water infrastructure

Major infrastructure responses are already in development. Over the longer term the proposed new reservoir near Chatteris, led by Anglian Water at a projected cost of 2.2 billion pounds, is intended to serve the broader East Anglia region. However, the timeline for delivering this reservoir extends to 2036 at the earliest and could feasibly go beyond this by many years given the size and complexity of the development. When completed the reservoir will have a water surface area of 5 square kilometres and a capacity of 55 million cubic meters (55,000,000,000 litres).

In the shorter term Cambridge Water and Anglian Water plan to build a 25-kilometre water pipeline between Grafham Water and Cambridge, at a cost of £12.4 million. A preferred route for the pipeline has been identified and an Environmental Impact Assessment (EIA) Scoping Report has been submitted to Local Planning Authorities (LPAs) crossed by the route, namely Huntingdonshire District Council and South Cambridgeshire District Council. A planning application is expected to be delivered in 2026, but as an interim and partial measure this will not be implemented before 2032.

There is much scepticism about the timelines for these plans and whether they will ultimately meet demand. Water Resources East are forecasting that neither the Grafham or Chatteris options will be sufficient and that up to half of the Eastern Region's water will need to come from desalination. Even if they successfully deliver the projected volumes of water on time, these plans will still limit Cambridge's growth substantially in the interim and will threaten nature and the economic life of the Fens.

Meanwhile, constrained supply is already halting or delaying new housing developments in Cambridgeshire. Strategic sites in St Neots and Impington have encountered objections on water availability grounds.

This long lead in time is a critical problem. The current water regulatory system, centred on 5 year price review periods (PR24, PR29), means that innovative solutions struggle to be delivered outside the pre-approved investment cycle. Moreover, this centralised capital intensive investment leaves little room for place based innovation.

Even the proposed treatment works at Waterbeach, which could process non potable water from local reservoirs or abstraction sources, lacks a clear regulatory or funding pathway. Without reform, the system will continue to act as a brake on regional development.

5. A local model for water storage and public supply

A network of agricultural reservoirs could potentially supply the incremental demand for water in Cambridgeshire, until such time that a major reservoir is delivered. The primary target for the South Level Project is to support Cambridge Water's supply for Greater Cambridge. Access to this additional water could be provided by a group of large farmers, held in a network of mid-sized agricultural reservoirs, based across the catchment area of drains, dykes and rivers managed by the Internal Drainage Boards.

The council already supports farmers through the local planning regime and there are currently over 80 agricultural reservoirs across the district, all fully licensed for cropping. Just 7 farmers hold **5.4 million cubic metres** of water in 24 mid-sized reservoirs. This is equivalent to 10% of the planned capacity at Chatteris. These mid-sized agricultural reservoirs are connected by the IDB water network and currently meet agricultural needs. But they could provide a valuable supply of drinking water, although not all are suitable for supply without investment.

The development of an agricultural reservoir network across the South Level Fenland catchment could provide a practical and regionally distinctive answer to the immediate need. Crucially, this is not a call to replace national infrastructure projects. Rather it is a complementary approach that can provide timely, localised solutions.

Additional reservoir capacity will help to unlock the housing growth required in Greater Cambridge while protecting the environmental assets of the Fens. It will also support the Department for Environment, Food and Rural Affairs' (Defra) aims and allow the development of a 'dynamic mosaic' land use pattern, increasing higher water tables in agriculture and providing for more water in the landscape, while also benefitting biodiversity.

The proposal

This model, which is currently being advanced by a consortium of farmers and local landowners, would utilise winter high flows from the Cam Washes and Lower Ouse catchment, which are technically part of the Middle Level, storing water for both agricultural use and public supply. Stored water would be transferred via the IDBs to Waterbeach for treatment and supply to Greater Cambridge

The findings of a recent technical study, commissioned by the Environment Agency, suggests that a network of **7 new mid sized agricultural reservoirs could store 6 to 7 million cubic metres (Mm³)** of water, particularly if licensed storage was focused on the lower level Fens area (Cambridge PWS Local Resource Option Study, JBA Consulting, March 2025). These could be built in under 3 years at a cost of between 2 to 3 million pounds.

Costings of a proposed 500Mm3 reservoir at Waterbeach - FC Palmer and Sons (Cambridge PWS Local Resource Option Study, JBA Consulting, March 2025, page 72)

The reservoir is plastic lined and was constructed in 2020 using red diesel.

The total cost of construction was £1,105,000 at 499,955 cube (£2.21 per cube).

This included all landscaping, professional fees for planning, archaeology, environment impact assessments re construction and supervising engineers from Mott MacDonald as well as safety fencing/lifesaving equipment. There are no costs for pumps within the £1,105k and the land is in at £0.

At 85% utilisation, each reservoir would provide water for 7,000 people a year, assuming 150 litres per person per day. Combined with improved demand reduction measures and the interim Grafham Water junction, this could be enough to meet projected housing growth over the next 15 years.

In the longer term it is highly probable that this supply would become a permanent supplement, and the scheme might gradually include more reservoirs. Future capacity could be regularly assessed with new reservoirs brought on stream as growth unfolds. This model offers multiple benefits, inluding:

- **speed**, agricultural reservoirs can be designed, consented, and delivered within 3 years
- **flexibility and scalability**, infrastructure can expand incrementally in line with housing and employment growth
- **low carbon**, using gravity fed drainage systems and storing water at elevation reduces energy intensity
- **environmental co-benefits**, supports peatland rewetting, biodiversity habitats, and drought resilience
- **cost**, estimated at 2 to 3 million pounds, a network of agricultural reservoirs would cost £4 to £5 per cubic meter of water compared with £40 per cubic meter from Chatteris

The combined costs of a network will depend on how many agricultural reservoirs are included. Current figures are based on 7 farmers with 24 reservoirs holding 6 million cubic metres, however, there may be many more agricultural reservoirs with more capacity, in addition to what sits in the IDBs ditches and drains.

Parameter	Chatteris Resevoir	Agricultural Reservoir Network
Capacity (Mm^3)	55	6 to 7
Unit cost (£/m^3 approx.)	£40	£4 to £5
Delivery timeframe	10 to 12 years	Less than 3 years per unit
Carbon/environmental impact	High	Low, plus potential peatland benefits

Creating a new local water market

The development of agricultural reservoirs would create a new 'water market' stimulating trade in water, between farmers, and into the local water supply network to provide public drinking water, at a price to be agreed. This would provide an additional income for farmers and IDBs helping to stimulate the wider East Cambridgeshire economy.

Farmers and landowners would be expected to bear the costs of building new reservoirs on their land on the understanding that these assets would generate revenues to cover costs and make the enterprise commercially viable. Finance arrangements including public-private arrangements will need to be considered to share costs, risks and potential rewards.

A key component of the proposed scheme is a new water treatment works that will need to be built at Waterbeach to serve the South Level. A large water treatment works is planned for the Chatteris reservoir, however, a separate water treatment works would be required to mobilise the storage project in the South Level.

Cambridge Water may be the eventual owners of the proposed Surface Water Treatment Works, although alternative financiers of the works could be found. The primary party responsible for funding the new waste water treatment works at Waterbeach is Anglian Water, as outlined in the Cambridge Waste Water Treatment Plant Relocation Order 2025 (www.legislation.gov.uk/uksi/2025/452/made#:~:text=Benefit%20of%20Order,affected%20by%20the%20authorised%20development). The order specifies that the works are for the benefit of Anglian Water, with some exceptions for the benefit of landowners and other affected parties.

Anglian Water's eventual outputs from Honey Hill will be for Waste Water Treatment capacity, which could feasibly be added to the proposed Water Treatment Works at Waterbeach. Anglian Water could therefore be involved in the planning. In addition, since Waterbeach sits on the border of the Cambridge Water and Anglian Water patches, Anglian Water might well be interested in taking water for East Cambridgeshire and beyond.

The estimated costs for this facility vary greatly, between 40 million pounds (Cambridge PWS Local Resource Option Study, JBA Consulting, March 2025, page 65, paragraph 27 and page 79) and 200 plus million pounds, depending on the scale of the water to be treated and the capacity of proposed reservoirs. Consultants JBA suggested it might be 132 million pounds for a 25 Ml/d works, but Cambridge Water estimates the cost to be over 200 million pounds. All this points to the need for a more detailed technical study. This is still a relatively small sum in the context of sustaining the continued growth of Greater Cambridge, provided a longer term use for the works is confirmed to supplement Cambridge's water supply beyond the opening of the Chatteris reservoir.

It is worth noting that the costs of desalination plants in Norfolk would be significantly higher.

6. Reforming the regulatory system

Water regulation in England is primarily driven by a framework of national institutions, Ofwat, the Environment Agency, and Defra, each with distinct, sometimes overlapping mandates. While this structure was designed to promote environmental protection, efficiency, and value for consumers, it has also resulted in fragmented and siloed decision making. In practice, local authorities like East Cambridgeshire District Council are excluded from key decisions that affect infrastructure planning, investment timing, and capacity allocation.

There are a number of regulatory barriers that constrain the development of new innovative approaches to developing a local water system:

- the Environment Agency's rules for abstraction and discharge licences are difficult to obtain for non traditional actors which restricts trade
- the Drinking Water Inspectorate limits new treatment solutions
- Ofwat focuses on incumbents rather than new market entrants
- environmental and economic concerns are misaligned
- Internal Drainage Boards are statutory bodies whose responsibilities are defined by law (the Land Drainage Act 1991 and subsequent legislation) cannot currently sell or treat water beyond drainage functions

The legislative empowerment of the IDBs is a critical issue to enable the creation of an active water management and trading system in the Fens. While many IDBs now operate under the general legislation, some were initially established or had their powers modified by Private Acts of Parliament, which limit the IDBs' statutory powers. These need to be replaced under a single enabling piece of legislation, to create more dynamic powers for water management.

The Price Review process, which governs water company investment cycles (Asset Management Periods or AMPs), has historically failed to account for local development trajectories. The rigidity of these cycles, along with a cautious approach to cost recovery and risk by water companies, restricts flexible, agile investment responses and creates a structural disconnect between local housing delivery needs and regulatory timelines. This has contributed to stalled planning applications and investment bottlenecks in Cambridgeshire, even in areas identified for growth in the Local Plans.

The case for reform lies in creating a system that is more accountable, transparent, and responsive to place based needs. For the Fens any such reform would also need to take account of the Internal Drainage Boards and their current funding model. The challenges are structural and growing more acute as climate change impacts, including:

- rising maintenance and upgrade costs for ageing infrastructure (pumps, sluices, and embankments are decades old)
- energy costs for pumping (especially in low-lying areas below sea level) are rising sharply, placing additional strain on IDB budgets
- limited and inflexible revenue streams, primarily through drainage rates paid by landowners and local authorities that are not tied to the actual cost of operating or modernising the network
- no statutory remit (and therefore no funding stream) for water storage or supply.
- lack of access to long-term capital funding
- increasing operational demands without matching resources

Stronger regional input into Price Reviews is also required. This should include expanding the statutory role of local authorities in strategic water planning, and piloting place based infrastructure partnerships that include regulators, utilities, and councils as equal partners. A shift toward outcome based regulation, as opposed to input or process driven models, could support a more agile and responsive approach.

Moreover, there is a growing consensus, shared by institutions such as the National Infrastructure Commission, Local Government Association, and Waterwise, that water must be governed as a core enabler of place making. This would require shifting the focus from narrow environmental compliance or bill minimisation to a wider understanding of water as fundamental to economic resilience, health and environmental justice.

The Independent Commission on the Water Sector Regulatory System (the Cunliffe Review) has highlighted several key issues with the current water sector regulatory system in England and Wales, emphasising a need for significant reform (Independent Water Commission Interim Report 3 June 2025).

In its interim report the Commission found that the system lacks clarity, has eroded public trust, and isn't delivering desired outcomes, particularly regarding environmental protection and customer satisfaction. The Commission's findings call for a 'fundamental reset' and 'root and branch reform'.

1. **Clearer strategic direction and planning.** This includes aligning water plans with other government priorities like housing and industrial strategy and to improve coordination with local authorities.
2. **Review and consolidation of legislation.** To provide a common purpose for companies, investors, and regulators.
3. **New regulatory approach.** A move towards a more 'supervisory' and responsive approach to regulation with mandatory requirements for mapping and understanding asset condition, alongside safeguard against excessive dividend payments.

   In essence, the Commission's interim findings paint a picture of a water sector struggling to meet the needs of customers and the environment due to systemic flaws in regulation, planning, and asset management.

   There is an expectation that the Commission's final report will need to address the mechanisms that are constraining the Public Water System.

7. Governance, accountability, and civic leadership

The question of who should own, operate, and be accountable for water infrastructure is not merely technical. It goes to the heart of public trust and effective delivery. A new settlement is needed, in which local authorities, water users, and regional partnerships have a seat at the table.

Local authorities like East Cambridgeshire District Council are on the front line of managing water related risks and enabling sustainable development. Yet, under the current governance system, councils often have limited influence over infrastructure investment decisions made by national regulators and water companies. This democratic deficit undermines the ability of local leaders to deliver housing, economic growth, and environmental resilience in an integrated way.

The Government has committed to empowering regions through deeper devolution and more locally accountable institutions. For East Cambridgeshire, which falls within the Cambridgeshire and Peterborough Combined Authority, this presents an opportunity to embed water governance into broader place-based economic planning. However, further reforms are needed to give councils a stronger voice in shaping regulatory decisions and infrastructure priorities.

The English Devolution and Community Empowerment Bill (https://bills.parliament.uk/bills/4002) will introduce new Strategic Planning and Spatial Strategy powers for Mayoral Combined Authorities giving regions like the Cambridgeshire and Peterborough a stronger mandate to integrate housing, economic development, and infrastructure planning. These powers will enable the combined authority to prepare a statutory spatial strategy that can align growth with long term infrastructure needs, including water supply and flood resilience.

For East Cambridgeshire, this creates an important opportunity to embed local water management priorities, such as the development of agricultural reservoirs and enhanced drainage networks, into a region wide growth framework. By ensuring that water availability is treated as a core constraint and enabler of development, the combined authority can sequence housing and employment growth in line with the delivery of new water infrastructure, reducing the risk of stalled developments and protecting environmental assets.

East Cambridgeshire District Council has played a proactive role in convening partners across the water sector, agriculture, and planning, to highlight system bottlenecks and identify specific solutions. Building on this leadership, the council as part of the Cambridgeshire and Peterborough Combined Authority should seek greater statutory influence within regional water forums, strategic infrastructure boards, and future investment pipelines.

The establishment of a Cambridgeshire and Peterborough Water and Growth Board would bring together Anglian Water, Cambridge Water, the Environment Agency, relevant IDBs, local authorities including the Cambridgeshire and Peterborough Combined Authority, developers, and community representatives to coordinate water infrastructure planning and delivery.

Such a board would support more integrated infrastructure sequencing, clearer accountability for delivery, and greater transparency over investment decisions. It could also act as a conduit to national bodies such as Ofwat and Defra, ensuring that local priorities inform national regulation.

There is also scope to pilot a local 'water resilience zone', where bespoke regulatory flexibilities could be tested in exchange for robust monitoring and cross agency collaboration.

8. Conclusion and recommendations

The water crisis facing the East of England is not only a constraint but an opportunity. East Cambridgeshire can be at the forefront of a new approach to water management, one that is more local, more democratic, more resilient, and more integrated with planning and growth.

The stakes are high. Without a reliable, scalable, and sustainable water supply, the region cannot deliver the homes and jobs that local people need, flooding will increase, and water resilience will deteriorate. Water scarcity risks derailing the government's ambitions for the growth of Cambridge and the vision for the Oxford-Cambridge Arc as an engine of innovation and inclusion.

Conversely, by piloting new models of local water management and investment, the district can accelerate delivery and enhance sustainability. Mid-sized agricultural reservoirs linked to IDB-managed networks and local treatment works offer a viable, near term pathway.

Moreover, such infrastructure supports the diversification of the local economy and positions the Fens as a centre of climate adaptation and resilience.

East Cambridgeshire District Council already supports the development of agricultural reservoirs through its planning framework. Through the adoption of this report the council commits to building on existing practice and to supporting this approach for a local water system as part of its corporate strategy to address water scarcity and unlock growth. This includes alignment with Local Plan objectives.

Establishing a network of reservoirs to provide drinking water for Cambridgeshire will require collaboration across institutions, sectors, and levels of government. The next steps include deepening engagement with the Mayor of Cambridgeshire and Peterborough and the Combined Authority, the Cambridge Growth Company, the Environment Agency, regulators and water companies.

East Cambridgeshire is well-positioned to lead by example showing how local leadership, when empowered, can drive sustainable transformation. But this vision for a local water system will only happen with regional commitment and a shared willingness to rethink how water, as a vital resource, is planned and governed.

Recommendations for East Cambridgeshire District Council

The following are recommendations for East Cambridgeshire District Council:

- continue to promote sustainable water management (as per the council's Climate and Nature Strategy 2024 to 2028)
- support the development of agricultural reservoirs for the purpose of supplying drinking water to Cambridgeshire
- work with the Mayoral Combined Authority and Cambridge Growth Company to **develop and fund next stage feasibility and business cases**
- promote this model as a national pilot for adoption as part of national planning guidance

Recommendations for government

The following are recommendations for the government:

- pilot water market reform and regulatory innovation in East Cambridgeshire
- amend legislation to enable Internal Drainage Boards to lead on water storage and distribution
- expand the statutory role of local authorities in strategic water planning, to include regulators, utilities, and councils as equal partners
- introduce a duty on regulatory bodies (Ofwat, Drinking Water Inspectorate, Environmental Agency) to support a more agile and responsive approach to local water needs, including:
    - local off take contracts that enable seasonal abstraction with trading
    - stronger regional input into Price Reviews, outside the PR24 cycle
    - reform of Drinking Water Inspectorate rules for local treatment
    - new Appointments and Variations (NAV) for wholesale access to water networks
    - introduce a regulated market for bulk raw water trading
- commission further evidence on the environmental and carbon benefits of this model

Recommendations for other partners

The following are recommendations for other partners:

- The Mayor of Cambridgeshire and Peterborough Combined Authority should convene a regional Water and Growth Board to coordinate strategy and create a framework for cross-sector partnerships to fund and deliver change
- Anglian Water, as the primary partner and beneficiary, should accelerate the Waterbeach treatment facility
- Ofwat should engage with local reservoir proposals through flexible licensing and investment models
- partners should create a Water Innovation Fund that can support locally led schemes

Cambridgeshire and Peterborough Combined Authority should work with other Local Authorities in the region to adopt a similar approach

End of document.