

6. Delivery and Funding

Successful implementation of the Water Cycle Study is dependent on:

- **Funding.** Development of water infrastructure requires funding and therefore mechanisms to achieve this are critical to their delivery;
- **Timescale Issues (connection between infrastructure delivery and the planning process).** The Water Cycle Study is a document that is designed to support the planning process and the outputs need to be presented in a way that allows this to take place. Timescales for the planning process and delivery need to be aligned;
- **Stakeholder ‘buy in’.** Actions are required by a wide range of organisations to implement the recommendations of the Water Cycle Study, including the water companies, internal drainage boards, regulators and developers.

6.1 Funding

Funding mechanisms should be investigated for infrastructure provision along with associated policy requirements in consultation with the developers and infrastructure providers.

In the case of SuDS the developers will act as the primary infrastructure provider and it will, therefore, be important that the planning applications submitted by the developers take on board the recommendations on SuDS within the Water Cycle Study with regards to the technical recommendations on design and the development of green infrastructure.

The statutory infrastructure providers may be supported by the following funding mechanisms:

- 1) **Community Infrastructure Fund (CIL):** The Planning and Reform Bill (2008) seeks the establishment of the Community Infrastructure Levy (CIL) which will give local authorities the ability to charge developers to help fund new infrastructure provision. The CIL is currently going through Parliament and being amended a result of the Taylor Review and it is noted from most recent government budget announcements that the phasing of CIL is to be delayed until 2010. CIL will enable local authorities to apply a levy to all new developments (residential and commercial) in their area, subject to a low de minimise threshold. Where appropriate the local planning authority would use a CIL to supplement a negotiated agreement, which may be required for site specific matters, including affordable housing. The CIL would be based on the costed assessment of the infrastructure requirements as outlined in Section 2.5. Standard charges would be set, which may vary from area to area and according to the nature of development proposed. Under the new Localism Bill, which aims to empower local communities by increasing local control of public finance, it states that local authorities will be required “to allocate a proportion of Community Infrastructure Levy revenues back to the neighbourhood from which it was raised. This will allow those most directly affected by development to benefit from it”.

- 2) **Planning Obligations/ Section 106.** Planning obligations are typically undertaken by developers or agreements negotiated between a local planning authority and a developer in the context of granting planning consent. These are underpinned legally by section 106 of the Town and Country Planning Act 1990, and are also known as section 106 agreements. Government policy is that, in the context of planning consent, planning obligations should be used to make development acceptable in planning terms. This could be by securing contributions towards the provision of infrastructure and facilities required by local and national planning policies. In particular a contribution to the cost of a piece of infrastructure can only be sought if it is necessary to make a development acceptable in planning terms and has a direct relationship to a particular development. A contribution can only be justified on water infrastructure where there is no legal requirement for the statutory undertaker to provide the specific infrastructure. However, if there is a development site that is precluded from coming forward for development due to a lack of water infrastructure and there are no commitments from Anglian Water within their five year Asset Management Plan to deliver the required infrastructure, the developer could offer to provide the required infrastructure, through a unilateral agreement with the Council, to ensure that the development can come forward.
- 3) **Regional Infrastructure Fund.** A regional infrastructure fund is currently being explored by the East of England Development Agency. Investment and the facilitation of infrastructure is often required to ensure that development comes forward. However, the necessary funds are not always available. The fund could potentially provide upfront funding to pay for infrastructure such as key large scale water infrastructure and the fund replenished from future incomes such as a levy on new developments. Funding could be sought from the Regional Infrastructure Fund, if the scheme is launched to front load the delivery of water infrastructure in the Borough, to ensure that development is brought forward in line the Regional Spatial Strategy.

The assessment of funding mechanisms needs to be carried out in the context of other areas where developer contributions are sought such as for non water infrastructure and the impact of the viability of the development. Consultation on these issues will form part of the delivery process.

However, whatever approach is adopted, it will be necessary that there is an up to date policy base which provides for securing such benefits⁸. It is therefore suggested that policies need to be included within the Core Strategies which allow specifically for the delivery of such benefits with regard to water infrastructure. It is also likely to be appropriate to provide detail within other LDDs both to specify/justify the requirements and to provide guidance in which case a Supplementary Planning Document would appear to be most appropriate.

The study would provide recommendations based on the most recent national guidance (such as adopted CIL guidance) and propose methods for securing contributions such as draft policy for the Core Strategy or Developer Contribution SPD.

⁸ B25 Annex B Circular 05/2005: Planning Obligations

The key infrastructure items identified in this report that may be considered with regard to these funding mechanisms are:

- a. The additional infrastructure identified by Downham Market IDB in relation to the proposed developments at Downham Market.
- b. The additional infrastructure identified by Downham Market IDB in relation to the proposed development south of King's Lynn.

The enhancements to the sewerage system identified in this report form part of Anglian Water's management of the system and are, therefore, unlikely to be subject to external funding.

The introduction of the Localism Bill and the Floods and Water Management Act are both likely to influence the funding streams and maintenance responsibilities of some of the identified enhancements. The Localism Bill aims to "return power to local communities" by encouraging volunteers and community participation in line with the vision of "the big society". Of relevance to the funding, as discussed above, this includes ensuring that a proportion of CIL funds are returned to the neighbourhoods that contributed to the funds.

As set out in Section 4.4.2, the Flood and Water Management Act requires developers to include sustainable drainage, where practicable, in new developments, and sets out procedures for the approval of SuDS by the relevant body. It gives responsibility for approving sustainable drainage systems in new development, and adopting and maintaining them where they affect more than one property, to a SuDS Approving Body (SAB). It is suggested that the SAB would generally be the Lead Local Flood Authorities, although the regulatory system for SABs is not expected to be set up until 2012. It is likely that the IDBs will be expected to work with Local Authority and other flood bodies in order to develop a coordinated contribution to the provision of local flood risk management.

The Flood and Water Management Act also requires the Environment Agency to develop a national strategy for Flood and Coastal Erosion Risk Management (FCERM) in England. Consultation on the strategy was undertaken at the beginning of 2011. Alongside this, Defra are also consulting on Guidance on sustainable development and FCERM and new approaches to funding FCERM schemes. These could potentially influence funding mechanisms for future coastal protection schemes and flood management in the study area, with the aim of collaborative planning and funding to ensure efficiencies in line with the need to reduce public expenditure.

In summary both the Localism Bill and Flood and Water Management Act encourage local community involvement in risk management, co-ordinated planning and sustainability and the need to balance national and local activities and funding.

6.2 Timescales

The key timescale issues are:

- 1) Confirming and planning for enhancements to the sewerage system in relation to the timescales for the developments in King's Lynn and Downham Market. These enhancements, which have been modelled using AWS Infoworks sewer network models, need to be identified in the next planning cycle to ensure

that they are delivered in a timely manner to avoid increased risk of sewer flooding and overflows as the towns expand.

- 2) The proposed developments at King's Lynn and Downham Market may require the IDBs to increase the capacity of connection between the drains and the Flood Relief Channel which involves increasing the size of pipes beneath the railway. Past experience indicates that the planning process with the railways is often prolonged and, therefore, presents a significant risk to the planned housing delivery timescale. If developments in this area are taken forward, discussions taking the planning process with the railways would be a priority.
- 3) The remaining infrastructure (new water mains and sewers) can be taken forward following the normal process of development and, therefore, does not present timescale issues.

6.3 Stakeholder Engagement

A public exhibition was held following the completion of the Outline Phase of the Water Cycle Study and a similar event might be considered once the Detailed Phase report has been signed off. However, much of the information in the study report is technical in nature (i.e. detailed analysis of the outstanding issues) so would add little value to the previous event.

It is proposed, therefore, that a workshop is held with the key and extended stakeholders (local councillors, developers, NGOs) to present and received feed back from the key organisations that the Strategy is likely to affect. The proposed format for this event would be introductory presentations by the key contributors to the study (e.g. the Borough Council of King's Lynn and West Norfolk, Environment Agency and Anglian Water) followed a report on the technical contents by Entec.

The WCS provides a mechanism to bring together key stakeholders and it will be important that this engagement continues beyond the completion of the study. This might take the form of six monthly meetings to discuss progress with implementation of the strategy.