

# Medway Council

## Core Strategy Examination in Public

### Further Written Evidence from Southern Water

#### Matter 6. Infrastructure

*6a. Are the key infrastructure requirements, including transport and water-related (mains and sewerage) capacity, identified in the plan, and is there a reasonable prospect that necessary infrastructure will be provided?*

Southern Water has divided this question into two halves, addressing each half separately.

*(a) Are the key infrastructure requirements, including water-related (mains and sewerage) capacity, identified in the plan?*

Southern Water's view is that the key infrastructure requirements are not identified in the plan.

The company made representations to a number of area policies in the Publication Draft Core Strategy (August 2011), including CS26 (Strood), CS27 (Rochester), CS28 (Chatham), CS29 (Gillingham), CS30 (Rainham), CS31 (Hoo Peninsula and Isle of Grain), CS32 (Medway Valley) and CS33 (Lodge Hill).

To summarize these representations, Southern Water is concerned that significant potential housing development sites are identified within each area but the need for new and/or improved local water distribution and sewerage infrastructure – as evidenced by Southern Water in accordance with paragraph 162 of the National Planning Policy Framework – is not included.

At a meeting with Medway Council on 19<sup>th</sup> March 2012, the Council explained that as the sites are identified, but not formally allocated, it would be inappropriate to identify infrastructure requirements for individual sites.

Southern Water remains of the view that the infrastructure requirements of identified sites should be addressed even if the sites are not formally allocated. Identification clearly signals the Council's intention to promote them. We consider that the Council's lack of recognition of this issue is inconsistent with paragraph 157 of the National Planning Policy Framework, which requires the Core Strategy to plan positively for the development *and infrastructure required* to deliver sustainable development.

It is important to give early warning to prospective developers regarding the need for local sewerage and water distribution infrastructure, as it will add to the cost of the development. There is a risk that the necessary infrastructure will not be delivered in time to service the development unless the need is identified in planning policies, and delivery is supported by the planning authority in subsequent planning conditions.

*(b) Is there a reasonable prospect that necessary infrastructure will be provided?*

Southern Water is committed to providing necessary water supply and wastewater infrastructure in parallel with new development through the periodic review of prices process. However, there are sometimes delays in the delivery of infrastructure, for example due to the

need to gain necessary planning permissions and environmental permits, objections to specific proposals, or due to development coming forward earlier than anticipated.

In addition, local water distribution and sewerage infrastructure needs to be funded by the development. This is consistent with Ofwat's expectation that Southern Water recover new development and growth costs from developers. The company has historically recovered less than the industry average, and Ofwat has set prices on the basis of Southern Water increasing its recovery rate. The company is therefore not fully funded to provide local infrastructure, and needs assistance from planning authorities to ensure that necessary infrastructure is delivered.

Southern Water therefore considers that although there is a reasonable prospect that necessary infrastructure will be provided, this is dependent on the planning authority co-ordinating development with provision of infrastructure, and supporting delivery of infrastructure through planning conditions where local infrastructure constraints are known.

Southern Water made a representation to the Publication Draft Core Strategy (August 2011) regarding the lack of an overall policy to co-ordinate development with the provision of necessary infrastructure, including water and wastewater infrastructure. In addition, site specific constraints referred to in (a) above were identified.

At a meeting with Medway Council on 19<sup>th</sup> March 2012, the Council considered that a minor amendment to Policy CS3<sup>1</sup>, included in the Submission Draft Core Strategy (on which there was no consultation), would address Southern Water's concern.

Although the minor amendment to Policy CS3 goes some way to address Southern Water's concerns with regard to co-ordinating development with infrastructure provision, the amendment only refers to "*major proposals*" for new development, and "*adequate water supply and waste water treatment facilities*". A definition of "*major proposals*" has not been provided. Relatively small proposals can impact on local sewerage and water distribution systems, for example development proposals of 10 dwellings.

In addition, the amendment does not facilitate co-ordination of development with sewerage facilities, which are different from wastewater **treatment** facilities. Sewerage refers to the underground sewers and associated facilities such as pumping stations that transport wastewater from individual homes and premises to the wastewater treatment works for treatment. The sewerage system would become overloaded if development is permitted before the necessary capacity is available, resulting in foul water flooding and pollution incidents.

A stronger policy is required to ensure that all new development, major and minor, is co-ordinated with all aspects of water and wastewater service provision. Overloading of the sewerage system leading to foul water flooding and environmental pollution would be contrary to paragraph 109 of the National Planning Policy Framework, which requires that the planning system should prevent new development from contributing to unacceptable levels of pollution.

### **Proposed changes to overcome Southern Water's concerns**

Please refer to Southern Water's original representation to the Publication Draft Core Strategy (August 2011): 1) policies CS26, CS27, CS28, CS29, CS30, CS31, CS32 and CS33, and 2) OMISSION OF POLICY – Phasing of development.

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<sup>1</sup> The following paragraph was added: "*Major proposals for new development must be able to demonstrate that there are, or will be, adequate water supply and waste water treatment facilities in place to serve the development*".

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*6c. Does the CS provide clear guidance on the circumstances in which developer contributions will be required, and has the impact on viability been quantified?*

Southern Water made representations to a number of area policies in the Publication Draft Core Strategy (August 2011), including CS26 (Strood), CS27 (Rochester), CS28 (Chatham), CS29 (Gillingham), CS30 (Rainham), CS31 (Hoo Peninsula and Isle of Grain), CS32 (Medway Valley) and CS33 (Lodge Hill).

These representations are not repeated here. To summarize, Southern Water is concerned that the failure of the Core Strategy to identify known site-by-site local water and sewerage constraints could compromise the collection of appropriate developer contributions towards new and improved local water and sewerage infrastructure.

Southern Water is expected by Ofwat to recover new development and growth costs from developers. The company has historically recovered less than the industry average, and Ofwat has set prices on the basis of Southern Water increasing its recovery rate. The company is therefore not fully funded to provide local infrastructure, and needs assistance from planning authorities to ensure that necessary infrastructure is delivered.

The precise cost of local infrastructure can only be quantified when specific development proposals come forward. However, early warning of the need to provide local infrastructure will facilitate incorporation of an allowance into development proposals, and assist viability assessments, in accordance with paragraph 173 of the National Planning Policy Framework.

It is important that the need for contributions towards critical infrastructure such as local water supply and wastewater disposal infrastructure is not forgotten in the mix of other infrastructure that the planning authority might look to the development to provide.

#### **Proposed changes to overcome Southern Water's concerns**

Please refer to Southern Water's original representation to the Publication Draft Core Strategy (August 2011), policies CS26, CS27, CS28, CS29, CS30, CS31, CS32, and CS33.