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# **Statement of Common Ground Number 3**

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Issued on behalf of Pembrokeshire Coast National Park Authority and Welsh Water, in advance of the Examination of the LDP2.

<b>Examination Pembrokeshire Coast National Park Local Development Plan 2</b>
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**Pembrokeshire Coast National  
Park Authority**



**Dŵr Cymru  
Welsh Water**

## Why was this Statement of Common Ground prepared?

1. The Local Development Plan Manual August 2015 advises:
  - a) '6.4.2.18 Agreeing with key infrastructure providers a 'statement of common ground' that can be refined as work on the plan progresses can be a useful way to evidence commitment and deliverability.'
  - b) '7.5.1.1 Where there are strategic and/or substantial objections to the deposit plan, or ones from statutory consultees, the LPA may wish to discuss further with the respondent(s), whether they will reconsider their objection, and which aspects can be agreed in order to narrow the disagreement to its essentials. Including areas of agreement/disagreement with substantive objectors, which may include a compromise position, in a "statement of common ground" for the Inspector would be helpful at this stage. Any subsequent contact with respondents should be identified in the consultation database.'
2. This Statement of Common Ground is in pursuance of the aim set out in 'a'.
3. This is a joint statement produced by Welsh Water and the Pembrokeshire Coast National Park Authority (PCNPA) to consider deliverability of the Local Development Plan 2 (LDP) allocations.
4. It provides an overview of Welsh Water's role as a statutory undertaker in the planning process, capital investment and an update in terms of the capability of the serving water and sewerage infrastructure to accommodate the allocated growth proposed.

### **Welsh Water's Statutory Duties**

5. Welsh Water is the statutory water and sewerage undertaker that supplies over three million people in Wales and some adjoining parts of England. Owned by Glas Cymru, a single purpose company with no shareholders, it is run solely for the benefit of customers.
6. Welsh Water, on behalf of customers and in line with the principal responsibilities as set out under Section 37 (water) and 94 (sewerage) of the Water Industry Act 1991 (as amended), owns, operates, maintains, improves and extends the system of public sewers, water mains and associated apparatus together with treatment works and pumping stations and has corresponding statutory duties to ensure effectual drainage and for making available supplies of water.
7. Welsh Water is very clear that supporting development is a primary objective, alongside the core purposes to deliver effective sanitation and safe drinking water to customers. In seeking to support growth Welsh Water rely heavily on the planning system to ensure that adequate infrastructure is in place (and in time) to serve development. This is reflected in national planning guidance and in the importance attributed to involvement as a specific consultee in the LDP and statutory consultee in the planning application process. Welsh Water is therefore reliant on Local Planning Authorities, through the development management process to appropriately safeguard assets and therefore customers and the environment.

## **Welsh Water Capital Investment for Growth and New Development**

8. Capital investment in water and sewerage infrastructure is managed in 5 year Asset Management Plans (AMP). AMP5 ran from April 2010 to March 2015, the current AMP, AMP 6, runs from April 2015 to March 2020 and AMP7 will run from April 2020 to March 2025. The AMP, along with delivering essential investment in infrastructure from an operational and maintenance perspective, seeks to ensure appropriate large scale investment is undertaken to provide capacity for new development and growth.
9. The AMP programme is funded via the revenue received through annual customer bills paying for the water and / or sewerage services. A key consideration as part of this is to ensure that customers' bills are affordable to them which is approved by the independent regulator Ofwat. This creates a natural tension with the level of investment that can be supported in any particular AMP period. Unsurprisingly therefore, Welsh Water have to prioritise the funding available to ensure it is used in the most appropriate way, but the not for profit status results in further infrastructure investment than if there were shareholders.
10. The Business Plan for AMP7 has already been submitted to Ofwat, with final determination expected in late 2019/early 2020. Schemes to accommodate the growth proposed in the LDP2 are therefore being considered for inclusion within AMP7, however there is a balance to be had.
11. As can be appreciated, Welsh Water's operational area covers all 25 Welsh LPAs as well as the whole of the English County of Herefordshire, and parts of some other bordering English LPAs. As such, a cost/benefit analysis needs to be undertaken to determine what schemes are the most feasible and affordable to undertake given that a balance needs to be struck with day-to-day operational investment and the need to ensure that customer bills remain affordable.
12. Where no scheme is proposed in the AMP, developers are able to accelerate the provision of reinforcement works themselves via the requisition provisions of the Water Industry Act (WIA) 1991 (see Appendix 2) or via Planning Obligation Agreements under the TCPA 1990. It should be noted that the requisition provision of the WIA 1991 only applies to water and sewerage network reinforcement works. Funding to deliver reinforcement works at a Waste Water Treatment Works (WWTW) can be delivered via Section 106 of the Town and Country Planning Act 1990.

## **Welsh Water infrastructure capacity**

13. PCNPA and Welsh Water have worked collaboratively throughout the LDP2 process to date, and as such the capacity of infrastructure has fed into each stage of the process.
14. Having reviewed the proposed allocations, Welsh Water consider that there are no insurmountable infrastructure constraints that would affect site deliverability.
15. As can be seen in Appendix 1 below, some of the allocations will require off-site works in order to connect to the existing networks however this is a standard pre-requisite of development particularly in more rural locations, and as such will not hinder site deliverability.

16. For some of the larger allocations, hydraulic modelling assessments of the water/sewerage network and developer impact assessments of the wastewater treatment works (WwTW) will be required with the developer then funding the necessary reinforcement works to accommodate their site. Again, for the allocations where these reinforcement works are required, their undertaking should not affect site deliverability.
17. In conclusion, Welsh Water consider that a combination of reinforcement works through the business' own capital investment, developer contributions via section 106 agreements and the requisition process can ensure that the allocations are delivered within the plan period and likely within 5 years following adoption of the LDP2.
18. Appendix 1 of this Statement provides Welsh Water's most recent update in terms of the capability of the existing infrastructure to accommodate the proposed allocations.
19. Welsh Water are happy to attend the LDP2 Examination Hearing Sessions to support the LPA and provide further information on the deliverability of the allocations, together with any updates that are required.

## **Appendix 1**

- Based on an anticipated adoption date of late 2019, the remainder of the LDP plan period up to 2031 will be over two of Welsh Water's Capital Investment Programmes (AMP7 – 2020-2025 and AMP8 – 2025-2030). Should reinforcement works be required at a Wastewater Treatment Works (WwTW), or water supply/public sewerage networks, investment schemes will be considered for inclusion within these future AMP programmes.
- Alternatively, developers can fund any necessary reinforcement works themselves by firstly undertaking a Developer Impact Assessment (DIA) and subsequently funding any works via a planning obligation.
- Where development would result in our infrastructure reaching capacity with regard to the water supply or public sewerage network, developers may need to firstly undertake a Hydraulic Modelling Assessment (HMA) and subsequently fund any required works via the requisition provisions of the Water Industry Act 1991.
- If assets need to be laid over private land (offsite works), developers can serve a requisition notice on Welsh Water to undertake the works, the cost of which can be offset by the income generated from the development over a period of 12 years, with a contribution required if the income falls short of the cost.
- Where there are assets crossing the site, protection measures will be required in the form of an easement width or diversion in order to maintain the integrity of the asset and allow for access if required. This will be at the developer's cost.
- The comments are subject to change as the LDP progresses.
- The LPA may wish to contact their Environmental Health Department for their views on whether there is the potential for odour nuisance on proposed allocations that are in close proximity to our Waste Water Treatment Works (WwTW) or Sewage Pumping Stations (SPS).

Site	No. of Units	Water Supply	Sewerage	Wastewater Treatment Works (WwTW)
HA1 - North of Feidr Eglwys, Newport	35	Extant planning consent		
HA2 - Parrog Yard & Pottery Site, Newport	12	Extant planning consent		
HA3 - Land North of the Business Park, Newport	15	No issues in providing a supply of clean water to this site, though offsite mains will be required.	No issues in the public sewerage network accommodating the foul-only flows from this site, though offsite sewers will be required.	No issues in Newport WwTW accommodating the foul-only flows from this site.
HA4 - Land at Sandy Hill, Saundersfoot	68	No issues in providing a supply of clean water to this site. The site is crossed by an 8" distribution water main for which protection measures will be required in the form of an easement width or diversion.	No issues in the public sewerage network accommodating the foul-only flows from this site.	No issues in Tenby WwTW accommodating the foul-only flows from this site.
HA5 - North of Whitlow, Saundersfoot	54	No issues in providing a supply of clean water to this site.	No issues in the public sewerage network accommodating the foul-only flows from this site, though offsite sewers will be required.	No issues in Tenby WwTW accommodating the foul-only flows from this site.
HA6 - Penny Farm, Saundersfoot	36	No issues in providing a supply of clean water to this site, though offsite mains will be required.	No issues in the public sewerage network accommodating the foul-only flows from this site, though offsite sewers will be required.	No issues in Tenby WwTW accommodating the foul-only flows from this site.
HA7 - West of Glasfryn Road, St Davids	90	It is unlikely that a supply of water can be made to this site without causing detriment to existing	No issues in the public sewerage network accommodating the foul-only flows from this site, though	St Davids WwTW is at capacity, therefore the developer will need to fund a Developer Impact

		<p>customers, as such the developer will need to fund a Hydraulic Modelling Assessment to assess the impact on the network, and fund any subsequent reinforcement works.</p> <p>The site is crossed by a 6" distribution water main for which protection measures will be required in the form of an easement width or diversion.</p>	<p>offsite sewers will be required.</p>	<p>Assessment to assess the impact on the WwTW, and fund any subsequent reinforcement works, should they wish to bring the site forward in advance of our future Regulatory Investment.</p>
HA8 - South of Driftwood Close, Broad Haven	10	Extant planning consent		
HA9 - NE & SE of Marine Road, Broad Haven	94	<p>No issues in providing a supply of clean water to this site, though offsite mains will be required.</p>	<p>It is unlikely that sufficient capacity exists in the public sewerage network to accommodate the foul-only flows from this site, as such the developer will need to fund a Hydraulic Modelling Assessment to assess the impact on the network, and fund any subsequent reinforcement works.</p>	<p>Walton West WwTW is at capacity, therefore the developer will need to fund a Developer Impact Assessment to assess the impact on the WwTW, and fund any subsequent reinforcement works, should they wish to bring the site forward in advance of our future Regulatory Investment.</p>
HA10 - Opposite Bush Terrace, Jameston	38	<p>No issues in providing a supply of clean water to this site.</p>	<p>No issues in the public sewerage network accommodating the foul-only flows from this site, though offsite sewers will be required.</p>	<p>No issues in Tenby WwTW accommodating the foul-only flows from this site.</p>
HA11 - West of the Green, Lydstep	10	<p>No issues in providing a supply of clean water to this site.</p>	<p>No issues in the public sewerage network accommodating the foul-</p>	<p>No issues in Tenby WwTW accommodating the foul-only flows</p>

			only flows from this site, though offsite sewers will be required.	from this site.
HA12 - Field Opp Manorbier VC School, Manorbier Station	23	Extant planning consent		
HA13 - Glasfryn Field, Square & Compass	7	No issues in providing a supply of clean water to this site.	No issues in the public sewerage network accommodating the foul-only flows from this site, though extensive offsite sewers will be required.	No issues in Trefin WwTW accommodating the foul-only flows from this site.
HA14 - Land adj to Bryngolau, Square & Compass	10	No issues in providing a supply of clean water to this site.	No issues in providing a supply of clean water to this site. The site is traversed by a 150mm foul sewer for which protection measures will be required in the form of an easement width or diversion.	No issues in Trefin WwTW accommodating the foul-only flows from this site.
HA15 - Adj to the School, St Ishmaels	13	Extant planning consent		
HA16 - Land off Cefn Gallod, Trefin	10	No issues in providing a supply of clean water to this site.	No issues in providing a supply of clean water to this site.	No issues in Trefin WwTW accommodating the foul-only flows from this site.



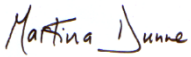

## **Appendix 2: An explanation of the Requisition provisions of the Water Industry Act 1991**

Water mains and/or sewers required for any potential development can be acquired through the requisition provisions of sections 41-44 (water) and 98-101 (sewerage) of the Water Industry Act 1991 (as amended). Welsh Water, as the statutory water and sewerage undertaker, has a duty under the WIA91 to comply with a requisition notice (subject to the entitlement) served for the provision of a new water main or sewer and/or associated apparatus which is required for domestic purposes only.

Developers usually serve notice when requiring assets to be laid over private land. A water and sewerage undertaker has the power to lay pipes through private land, subject to relevant procedure, whereas the developer has not unless it can be negotiated with the landowner. Once the requisitioned asset is constructed and commissioned, the asset will be owned by Welsh Water who will be responsible for its future operation and maintenance.

The benefit to a developer of being able to use the requisition process is that the cost of a scheme is offset by the income generated to Welsh Water through customer bills from the development over a period of 12 years. All network infrastructure provided by requisitioning is funded by the new customers who live on the new development via the annual charges they pay for water and sewerage services. The developer only pays a contribution where any shortfall arises on each anniversary over a 12 year period between the capital and borrowing costs for providing the requisition scheme compared to the annual revenue expected / actually received from customers.

Should the income that Welsh Water receives be greater than the cost of the scheme, then there is a nil contribution from the developer. Conversely, should the income received fall short of the scheme cost, a developer would be required to make up the shortfall.

<p>Signed:</p> 	<p>Signed:</p> 
<p><b>Martina Dunne</b>  <b>Head of Park Direction</b>  <b>Pembrokeshire Coast National Park</b>  <b>Authority</b></p>	<p><b>Ryan Norman</b>  <b>Forward Plans Officer</b>  <b>Developer Services</b>  <b>Welsh Water</b></p>
<p>Date <b>26<sup>th</sup> November 2018</b></p>	<p>Date <b>23<sup>rd</sup> November 2018</b></p>
<p>Statement of Common Ground date logged in the Comments Schedule for Submission for Examination Yes/<del>No</del></p>	