

# Appendix C - B&MK Waterways Funding/Financing Sources

Source	Summary	Eligibility	Conditions	Deadlines	Amount available	Precedents	Repayment terms
<b>Environment Agency</b>							
Flood Defence Grant-in-Aid (FDGiA), Environment Agency	Supports projects that reduce flood risks and coastal erosion, enhancing flood defences and improving natural environments.	Local authorities, environmental organisations, and other public bodies.	The project should demonstrate significant benefits in terms of flood risk reduction, environmental improvements, or social impacts.	Applications are accepted year-round. Scheme promoters should consult with the EA early to align project with funding cycles.	Varies based on project scope and benefits; funding is competitive.	Thames Estuary 2100 Project: £27.7m	None – grant.
Flood and Coastal Resilience Innovation Fund (FCRIP), Environment Agency	Supports innovative approaches to building flood and coastal resilience, including nature-based solutions.	Local authorities, environmental organisations, and private sector entities.	Projects are evaluated based on innovation, potential impact, and alignment with programme principles.	Deadlines vary by funding round; scheme promoters should monitor announcements on the EA's website.	Up to £5 million per project.	Humber Estuary Project: £3.7m	None – grant.
<b>Centrally Allocated Funds</b>							
National Lottery Heritage Fund (NLHF)	Funds are distributed from those raised by the National Lottery to support a wide range of heritage projects, including those aimed at conserving and enhancing natural habitats.	Not-for-profit organisations and partnerships led by not-for-profit organisations.	Projects must relate to heritage. Proposals should demonstrate how they will save heritage, protect the environment, promote inclusion, access, and participation, and ensure organisational sustainability.	The NLHF operates on a rolling basis, with applications accepted at any time.	£100k-£10m	Renovation of Kingsley Hall in Bristol (2025): £4.7m  Creation of the National Waterfront Museum in Swansea (2002): £11m  Restoration of the Kennet and Avon Canal in Somerset (1996): £25m	None – grant.
Transport Infrastructure Investment Fund (TIIF), DfT	Funding mechanism administered by the UK Department for Transport (DfT) to support significant transport infrastructure projects that enhance connectivity, economic growth, and regional development.	Local authorities, combined local authorities, and other public sector bodies are eligible to apply.	Applicants are generally required to submit a detailed business case, including project plans, cost-benefit analyses, and evidence of stakeholder support. Projects must demonstrate clear	The TIIF operates on a rolling basis, with funding rounds announced periodically. Scheme promoters should monitor the DfT's website for the latest information on	Individual project grants typically range from £5m-£50m.	A14 Cambridge to Huntingdon Improvement Scheme: £1.4 billion funded through the formerly known Strategic Road Network Investment Plan	None – grant.

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			benefits, such as reducing congestion, supporting economic growth, or improving safety.	open funding rounds and deadlines.		A303 Stonehenge Tunnel Project: £1.7 billion funded through the formerly known Strategic Road Network Investment Plan	
Local Transport Fund, DfT	In February 2024, the government announced a £4.7 billion Local Transport Fund for the period 2025 to 2032. Financial program provided by the UK Department for Transport (DfT) to support local authorities in developing and implementing transport infrastructure projects. The fund aims to enhance local transport networks, improve accessibility, and promote sustainable travel options.	The DfT allocates funds to local authorities based on specific criteria, which may include factors such as population size, transport needs, and project proposals. Projects that typically qualify for funding include road maintenance, public transport enhancements, cycling and walking infrastructure, and initiatives aimed at reducing congestion and improving air quality.	Local authorities submit detailed proposals outlining project objectives, expected outcomes, and budget requirements. The DfT reviews these submissions to ensure alignment with national transport strategies and priorities.	The DfT will release further guidance on the application process, including detailed eligibility criteria, funding limits, and delivery requirements.	Exact allocation unknown at this stage.	n/a	None – grant.
Public Works Loan Board (PLWB)	UK government body that provides low-interest loans to local authorities and certain public sector organisations for the purpose of funding capital infrastructure projects.	Local authorities and public sector organisations.	Projects must involve capital expenditure that serves a public good, with a clear public benefit.	None – loans are typically available year-round.	The PLWB does not set an explicit limit per project but provides loans that are affordable for public authorities based on their capacity to repay.	Yorkshire Water's Infrastructure Investment: £unknown  Liverpool City Council's Transport and Regeneration Projects: £unknown	Loan repayment terms generally range from 1 year to 50 years, typically made in equal annual instalments covering both principal and interest.
National Wealth Fund (formerly UK Infrastructure Bank) – Local authority services	£22 billion of overall financial capacity, £4 billion of which is to lend to local authorities for infrastructure projects.  Particular ambition to work with local authorities delivering building decarbonisation, heat networks, green transport and mixed infrastructure projects.	The NWF lends to local authorities delivering economic infrastructure projects in five priority sectors: clean energy, transport, waste, water and digital.  Projects should contribute to the NWF's goals of enhancing infrastructure and promoting clean energy transitions. Proposals should showcase clear benefits, such as economic growth, environmental impact, and	Scheme promoters should submit detailed project proposals outlining how their projects meet the NWF's investment criteria and contribute to the fund's objectives.	The NWF does not specify fixed deadlines for project submissions.	£5m+	DLR: £300m  WMCA: £10m  West Suffolk Council: £17m	Currently offers up to 50 year loans at gilts + 40bps with a minimum loan size of £5 million, set by NWF shareholder.

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		alignment with national industrial strategies.					
National Wealth Fund (formerly UK Infrastructure Bank) – Private sector finance	<p>Designed to attract private investment into key sectors like clean energy, infrastructure, and digital technologies.</p> <p>The fund prioritises sustainable and growth-oriented projects that align with the UK's long-term economic and environmental goals.</p>	<p>This focuses on projects with financing needs of at least £25 million and offers support through equity investments, loans, or guarantees.</p> <p>Projects should align with the NWF's investment principles, focusing on areas like clean energy, digital infrastructure, transport, water, waste, and natural capital. For private sector deals, the NWF requires minimum financing of £25 million.</p>	Scheme promoters should submit detailed project proposals outlining how their projects meet the NWF's investment criteria and contribute to the fund's objectives.	The NWF does not specify fixed deadlines for project submissions.	£25m+	<p>Highview Power Ltd: £165m</p> <p>Port of Tyne: £50m</p> <p>GRIDSERVE: £45m</p>	The NWF offers various financing tools, including loans, guarantees, and equity investments, tailored to the project's needs. Detailed repayment terms, interest rates etc not publicly disclosed.
Transport Research and Innovation Grants (TRIG)	<p>The Department for Transport (DfT), in partnership with Connected Places Catapult, offers Transport Research and Innovation Grants (TRIG) to fully fund proof-of-concept research projects in support of innovative ideas or concepts that facilitate a better transport system.</p> <p>The competition is designed to offer small amounts of funding via a simple and accessible application process that will suit innovators needing a cash injection for research and development work.</p>	TRIG is open to public, private and third sector organisations in addition to universities and research and technology organisations.	Proposals should demonstrate an innovative concept, typically advancing from Technology Readiness Level (TRL) 2 (basic research) to TRL 4 (proof of concept/small-scale prototype).	While specific dates for the next TRIG funding rounds have not been announced, applications are typically accepted in late winter or early spring.	<p>£50,000 to £1.5 million for smaller, innovative research projects.</p> <p>Larger-scale projects may receive up to £3 million or more.</p>	Hydrogen-Powered Buses for Urban Public Transport: approx. £4m	None – grant.
The Green Recovery Fund (GRF)	Part of the UK's commitment to achieving net-zero carbon emissions by 2050, providing financial support for projects that enhance environmental sustainability and resilience. The fund aims to boost the economy while addressing environmental challenges, including climate change, pollution, and biodiversity loss.	Local authorities, Mayoral Combined Authorities (MCAs), public sector bodies, non-governmental organisations (NGOs), and private sector organisations that can deliver projects aligned with green recovery objectives.	The project must support the UK's Net Zero Strategy, Environmental Improvement Plans, and be in line with the government's Green Growth Strategy.	The Green Recovery Fund operates on a rolling basis, but there are usually specific deadlines each year for different rounds.	Typically offers large-scale funding for projects. Varies based on the scope, scale, and impact, but generally £500,000 to £10 million for individual projects.	<p>Greater Manchester Green Infrastructure Project: approx. £5m</p> <p>West Midlands Biodiversity Restoration: approx. £3.5m</p>	None – grant.

**Mayoral Combined Authority (included for reference)**

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Devolution Deal Funding	These funds can cover a wide variety of sectors including transport infrastructure, housing development, skills training, and local economic growth.	Available to areas with Devolution Deals or Mayoral Combined Authorities (MCAs).	The funding is directed at projects that align with the objectives set out in the Devolution Deals for each area.	Devolution Deal funding is often part of a longer-term strategic agreement between central government and local authorities, and as such, there are no fixed application deadlines.	Funding amounts vary by region and deal.	Greater Manchester: £300m Devolution Deal	None – grant.
Transforming Cities Fund (TCF)	The fund is designed to support projects that improve public transport, walking, cycling, and enhance local infrastructure.	Specifically available to MCAs or cities with an elected Mayor.	The proposed projects must align with local or regional transport plans and strategies.	Multiple funding rounds, with deadlines for submitting bids typically linked to each round's release and regional requirements.	The total available fund is £2.5 billion, allocated across MCAs based on specific proposals.	West Midlands: £250m Greater Manchester: £150m	None – grant.
Transport Investment Fund (TIF)	Available to MCAs to support regional transport infrastructure projects, particularly those that enhance connectivity or sustainable transport.	Projects that aim to reduce congestion, enhance public transport options, or improve local connectivity can apply.	Focus on rail, bus, cycling, and pedestrian infrastructure.	Deadlines for TIF depend on the region and phase of funding. Generally, applications for major transport projects occur in phases, with an open call for proposals every few years.	TIF typically offers funding in the range of £10 million to £500 million, depending on the project.	Greater Manchester received substantial funding for Metrolink extensions and improvements to bus corridors to increase capacity.	None – grant.
<b>Waterfront Developments</b>							
Section 106 (S106) Contributions	Legal agreement between the LA(s) and developer, ensuring the developer contributes to the infrastructure and services required as a result of their development.	Developers usually provide in-kind contributions (such as building a piece of infrastructure) or make financial payments to the local authority for infrastructure improvements. These agreements are specifically tied to the impacts of the individual development.  Section 106 funds could be used to support the project. For example, developers might be required to contribute to the costs of the canal's construction, particularly if the development benefits directly from the canal (e.g. increased land value, amenities, improved flood protection, etc.).		n/a	Dependent on the scale and type of development.	Thames Gateway Development: required S106 for infrastructure like public transport, affordable housing etc.	None – one-off contribution.
Community Infrastructure Levy (CIL)	Charging scheme that would allow the LA(s) to levy charges on the developer to fund infrastructure projects in the area.	The local authority could collect CIL payments from residential developers building near the canal, and these funds could be used to help fund the project, particularly if the development will directly benefit from it (e.g., improvements to drainage, accessibility, or scenic amenities). It is a fixed charge, typically per square meter of floor space created by new development, based on the type of development and its location.		n/a	Dependent on the local authority's charging schedule, the type of development and the square footage of development, as CIL is often levied based	London Boroughs: many London boroughs implement CIL charges to fund infrastructure projects.	None – one-time payment.

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		<p><i>Note: Opportunities may be limited as Bedford Borough Council's Local Plan currently focuses on development outside the proposed Waterway corridor. In Milton Keynes, most opportunities for development along the route did not include any contribution, including Brooklands, Atterbury and Eagle Farm South.</i></p>				on the gross internal floor area (GIA).	
<b>Other</b>							
Green Bonds / Green Financing	Green Bonds are debt instruments issued to raise funds for projects that have clear environmental benefits, such as improving biodiversity, reducing carbon emissions, enhancing water management, or protecting natural habitats.	<p>The issuing body (likely a local authority, public-private partnership, or corporate entity) could structure a green bond issuance to raise capital from investors for the construction and ongoing maintenance of the canal.</p> <p>The project must align with internationally recognised standards for green projects, such as the Green Bond Principles by the International Capital Market Association (ICMA) or Climate Bonds Initiative (CBI) certification.</p> <p>The green bonds would offer fixed interest payments over a specified period (e.g., 10–30 years), with the principal amount repaid at maturity. The money that the issuer pay back in interest payments (eventually paying back the principal) could come from the revenues or savings generated by the scheme.</p>		n/a	Dependent on project eligibility and market demand for green investment.	<p>HSBC: £2.5 billion green bond to support its broader green initiatives, such as financing renewable energy projects.</p> <p>Thames Tideway Tunnel: £600m through green bonds as part of its total funding.</p> <p>Greater Manchester Green Bond: £80 million through green bonds to fund public transport infrastructure.</p>	The return for investors is typically fixed-interest payments over time, with the principal repaid at maturity.
Nature Restoration Fund (Planning and Infrastructure Bill)	<p>Managed by Natural England, this is an initiative whereby developers contribute to a central fund, enabling the implementation of large-scale conservation measures, addressing environmental impacts beyond those at the individual project-level.</p> <p>This could enable developers to meet their environmental obligations faster and at greater scale by pooling contributions.</p>	Landowners, conservation organisations, local authorities, entities with a vested interested in environmental restoration.	Projects must focus on restoring or enhancing natural habitats such as canals, rivers etc.	Currently closed for new applications, but future rounds may be possible.	Dependent on the scale and type of environmental impact caused by the project, and the scope of mitigation required.	<p>Akraig Landscape Restoration Partnership: £1.25 million</p> <p>Pentland to Portobello Greening Project: £201.6k</p>	None – grant.
Water transfer capability	A collaborative agreement between the project delivery team and Anglian Water, whereby Anglian would provide	The canal would likely need to align with Anglian Water's long-term water resource management plans, such as its Water Resources Management Plan (WRMP).		n/a	Dependent on the extent of the canal's water transfer capabilities.	Grand Union Canal Transfer Scheme (collaboration between CRT,	Depends on the structure.

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	<p>funding for the infrastructure in exchange for water transfer capabilities.</p>					<p>Severn Trent and Affinity Water): £unknown</p>	
Biodiversity Credits	<p>Biodiversity credits allow developers to offset the loss of biodiversity caused by their project by purchasing credits to fund the restoration, enhancement or creation of biodiversity elsewhere.</p>	<p>Developers must deliver a minimum 10% net gain in biodiversity, either by enhancing diversity on-site or purchasing biodiversity credits to offset any residual loss.</p> <p>The developer would first complete a Biodiversity Net Gain (BNG) assessment to determine the impact of the development i.e. any areas of importance such as Sites of Special Scientific Interest (SSSI), or protected species habitats.</p>		n/a	<p>Dependent on the project type and biodiversity value, as well as market demand.</p>	<p>HS2: £unknown Funding method still in its early stages.</p>	<p>None – one-time payment.</p>
Public-private partnership (PPP)	<p>Private company funding, designing and constructing the canal in exchange for rights to operate or maintain for a fixed period. Revenue generated through tolls, leasing of land next to the canal for commercial uses (e.g. tourism, leisure activities).</p> <p>The LAs could allocate a certain percentage of the initial capital funding through their local government budgets or through regional development funds. These funds could be sourced from various government schemes. The LAs could also contribute land along the canal route if in ownership.</p> <p>The private partner(s) could also provide significant capital investment to fund the construction and initial operational costs. This could come from infrastructure funds, banks or companies specialising in large-scale public works.</p>	<p>Private companies would likely handle the engineering, design, and construction of the canal, including the development of any necessary bridges, locks, water management systems, and other infrastructure components.</p> <p>LAs could raise revenue through tourism, events, or community engagement, which would help offset the public investment. The private partner could generate revenue by operating waterway-related services (e.g. water transport, recreational boating) or by taking advantage of land development opportunities along the canal route (e.g., building commercial spaces, residential housing, or recreational areas).</p>		n/a	<p>Dependent on the size and scope of the project and the financial capacity of the private sector partners involved.</p>	<p>Thames Tideway Tunnel: £4.2 billion. Financed through a combination of private loans, equity investments, and government-backed financing.</p>	<p>Depends on the structure.</p>
Business Rates	<p>Local tax on businesses, set by local authorities.</p>	<p>Local authorities can allocate or redirect revenue from business rates to fund specific infrastructure projects.</p>		n/a	<p>Dependent on the value of the properties within the area and how much of the collected</p>	<p>Greater Manchester Business Rates Pool: allows the GMCA to retain a larger share of</p>	<p>None – not a loan.</p>

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					business rates are retained by the local authority.	business rates for regional infrastructure and regeneration projects.	
Council Tax	Local tax on residential properties, which is set by local authorities to fund local services.	Local authorities can allocate revenue from council tax to fund infrastructure.		n/a	Dependent on the tax base (the number of taxable properties and their values) in the area.	Thames Gateway Development: in areas like Thames Gateway, infrastructure projects have been supported in part by additional local council tax revenue.	None – not a loan.
Corporate Sponsorship	A corporate sponsor could provide financial support, resources, or expertise in exchange for brand visibility, marketing opportunities, or even a stake in the long-term revenue generated by the project.	<p>The sponsor could provide a direct financial investment for the construction, either upfront or in instalments, helping to cover construction costs. The sponsor (such as Universal Studios, or other) could then have its name tied to the canal (e.g. "The Universal Canal" or "Universal Waterway").</p> <p>If the canal generates income through mechanisms such as tolls, leasing waterfront spaces, or tourism-related services, the sponsor may receive a share of the revenue.</p>		n/a	Dependent on the nature of the sponsorship agreement.	<p>The O2 Arena. This sponsorship included the renaming of the venue to "The O2" and substantial investment in the venue's publicity and maintenance.</p> <p>The Emirates Airline Cable Car (London). Emirates paid for the naming rights of the cable car and sponsors the service in exchange for prominent branding opportunities.</p>	Depends on the sponsorship.