



Horsham
District
Council

Horsham District Local Plan Examination

Response to Action Point 20

Matter 3, Issue 2 - Climate Change and Water- Whether the approach to water neutrality and flooding is justified, effective, consistent with national policy and positively prepared?

HDC 39

December 2024

Action Point 20: Sussex North authorities' response to Southern Water's 2024 Water Resources Management Plan consultation

1. Southern Water consulted on their draft Water Resources Management Plan (WRMP) (2024) between 11 September and 4 December 2024. The Sussex North authorities' response to the consultation has been submitted for the Examination Library alongside this cover note.
2. The consultation response was approved through the Water Neutrality Lead Officer Group (WNLOG), which typically comprises Heads of Service level staff from all the Sussex North authorities – Chichester DC (CDC), Crawley BC (CBC), Horsham DC (HDC), Mid Sussex DC (MSDC), South Downs National Park Authority (SDNPA) and West Sussex CC (WSCC). WNLOG meetings are also attended by Natural England and the Environment Agency.
3. Following the opening of the consultation, the SNOWS Water Neutrality Project Manager and Water Neutrality Officer reviewed the consultation documents and produced an initial draft response on behalf of the Sussex North authorities.
4. The local authority WNLOG contacts were consulted with the initial draft consultation response for review and comments on 18 October 2024. Local authorities were able to feed into the response until 29 November.
5. Local authority Chief Executives were made aware of the consultation and the joint response through the regular Water Neutrality Executive Board meetings (see paragraph 8 below). HDC Members were also briefed on the consultation and our high-level concerns at a Policy Development Advisory Group (Economic Development & Property and Planning and Infrastructure) meeting on 23 October 2024.
6. HDC's Environmental Health Team were consulted on 3 October 2024, specifically to be aware of and input to our concerns raised in the response about the reinstatement of the West Chiltington supply borehole. HDC's Sustainability Team were also consulted on 18 October for any comments on the WRMP and our consultation response more generally.
7. Additionally, because of the concerns we raised about the Habitats Regulations Assessment submitted with the WRMP, which is within the remit of the Environment Agency (EA) and Natural England (NE) to respond to, we shared our draft response with the EA and NE on 6 November 2024.
8. The WRMP consultation and/or our consultation response was discussed at the following meetings during the consultation period:
 - **12 September 2024:** Monthly engagement meeting – SNOWS & Southern Water
 - **23 September 2024:** Water Neutrality Executive Board meeting
 - **2 October 2024:** Water Neutrality Lead Officer Group (WNLOG) meeting
 - **10 October 2024:** Monthly engagement meeting – SNOWS & Southern Water
 - **16 October 2024:** Southern Water West Sussex quarterly update to Council Members
 - **23 October 2024:** HDC Members briefed via Policy Development Advisory Group (Economic Development & Property and Planning and Infrastructure) meeting
 - **31 October 2024:** Sussex North authorities (CBC, HDC, SDNPA & WSCC) and Southern Water WRMP workshop meeting
 - **6 November 2024:** Water Neutrality Lead Officer Group (WNLOG) meeting
 - **14 November 2024:** Monthly engagement meeting – SNOWS & Southern Water
 - **20 November 2024:** Water Neutrality Offsetting Implementation Group (OIG) meeting
 - **25 November 2024:** Water Neutrality Executive Board meeting

Southern Water WRMP consultation response – Dec 2024

Response on behalf of the Sussex North authorities

Introduction

We are providing this officer level response on behalf of the 'Sussex North authorities' – Chichester DC, Crawley BC, Horsham DC, Mid Sussex DC, South Downs National Park, and West Sussex CC. We welcome the opportunity to comment on Southern Water's draft Water Resources Management Plan (WRMP) 2024.

Summary

The overriding concern for the Sussex North authorities is the 'water neutrality' requirements that have been imposed on new development in the area, resulting from Natural England's (NE) concerns that Southern Water's (SW) Pulborough abstraction may be causing detrimental impacts on the Arun Valley designated sites. The Sussex North authorities are in the process of developing a water offsetting scheme – the Sussex North Offsetting Water Scheme (SNOWS) – to help enable development to progress whilst there remains a need for abstraction from Pulborough to meet water supply requirements. The authorities are concerned that the Pulborough abstraction is still included in SW's draft WRMP to meet the shortfall in water supply compared to the demand anticipated from new development by the Sussex North authorities in their emerging local plans.

Overall, we maintain our concerns about whether SW is doing enough in their WRMP considering the water neutrality issues that we face in Sussex North. Although we appreciate the ongoing engagement with SW in relation to the water neutrality issues, we question whether SW is taking enough practical action in the short-term to address water neutrality issues. We make some suggestions about measures that we think Southern Water should consider further.

We recognise that the impacts on the Arun Valley designated sites have not yet been definitively linked to SW's abstraction and that a Sustainability Study, being jointly undertaken by SW and the Environment Agency (EA), is ongoing and due to be published in mid-2025. However, we are concerned that this WRMP does not sufficiently account for the impacts of the Pulborough abstraction, and are concerned that, if published before the conclusions of the Sustainability Study, no additional action will be taken until the next WRMP in 5-years' time. In particular, we are concerned that the Habitats Regulations Assessment (HRA) only assesses new measures and does not account for the potential existing impacts on the Arun Valley sites from the Pulborough abstraction.

We have specific concerns regarding one of the proposed supply measures in the plan – the refurbishment of the West Chilmington water supply boreholes. Because of water neutrality requirements in this area, several private supply boreholes have been sunk in proximity to SW's West Chilmington borehole by developers to provide water supplies to their developments, which are now legally secured. We understand that the reinstatement of the SW boreholes could lead to little or no yield being available for one or more of the private boreholes, which could cause substantial issues for the borehole owner/s and Horsham DC.

Water Neutrality

The Sussex North authorities have been subject to a NE water neutrality position statement in relation to new development since September 2021. However, the issues underpinning the requirements stem from a failure by SW to provide sufficient supplies and/or reduce existing water demand sufficiently to ensure the protection of the environment. These are matters beyond the control of the Sussex North authorities and which should not fall to the development industry to address through having to build water neutral schemes, given the requirement on SW to take account of planned growth in their WRMP. Water neutrality

requirements are already having a severe impact in Sussex North, with limited development able to come forward across the area for the last 3 years. We estimate that, in this time, somewhere in the region of 3,000 dwellings have not come forward for planning permission that otherwise would have if not for water neutrality. Similarly, it has also impacted non-household development coming forward including new or upgraded business premises, rural development, tourism development and developments/services provided by West Sussex CC, such as new school places.

Given this, it is ultimately for SW to mitigate water neutrality issues in Sussex North, but the short-term burdens still fall largely on local planning authorities and those seeking to build new developments in the area. Our view remains that SW needs to do more in the short-term to support the Sussex North authorities and the development industry in dealing with the implications of water neutrality and should itself be taking a lead to address the overarching reasons necessitating the requirement for water neutrality.

Whilst we acknowledge that SW has taken steps to support the Sussex North authorities and have set out some specific steps to address water neutrality in their plan (which are set out in Annex 22: Water Neutrality), we still feel that more could be done by SW to support us, particularly in the short-term – we have made some suggestions below.

Alternatives to Water Neutrality

We understand that NE has advised that water company plans including SW's WRMP, must not cause, add to, or make it more difficult to remove an existing risk of adverse effect on integrity of a Habitats site. For this to be relied upon by competent authorities such as local planning authorities, this must be secured in some way. No other water company region is subject to water neutrality requirements on new development. We are aware that some other water companies are looking at other options to address their supply-demand deficits, such as by not supplying new non-household customers, albeit we acknowledge that these options would create their own issues.

NE's position statement states that 'Developments within Sussex North must therefore not add to this impact and **one way** (our emphasis) of achieving this is to demonstrate water neutrality.' We question why Southern Water do not appear to have explored how to resolve this issue quickly using other, similar options, rather than relying on other parties to achieve water neutrality in Sussex North. This is especially the case given that other water companies are being proactive in exploring alternative approaches. We cannot identify in the draft plan that any other options have been considered. We think this is an oversight and that other options should be explored, which could remove the water neutrality burden from the local planning authorities and developers.

Smart meter programme

We fully support SW's intention to focus their smart meter rollout programme initially in Sussex North and agree that this could help property owners in the area to better understand their water use and encourage them to take actions to reduce their usage.

However, we question why SW has not included a programme of flow regulator installations at the same time as their smart meter installation programme. Flow regulators have become a widely used, robust method of saving water in Sussex North, featuring in many offsetting proposals, including by Crawley BC. We are of the view that if flow regulators were installed by SW at the same time as smart meters, it is possible that this programme could substantially help to address water neutrality requirements. This is something that could be rolled out quickly, relatively cheaply, and would help in the short to medium term while longer term solutions (that are challenging and will have their own environmental impacts that will need to be addressed) are explored and implemented.

We raised this suggestion with Defra and MHCLG ministers earlier this year. We question why SW do not appear to have considered such a programme as part of the WRMP. We were advised by Tim McMahon (Director of Water) at our July 2024 Executive Board meeting that the idea was being considered but was not funded, although it is not clear to us why this option was not explored earlier, and we recommend that it should be included for funding within the WRMP.

Arun Valley Sustainability Study

We recognise that the Arun Valley Sustainability Study, being undertaken jointly by SW and the EA, will provide critical evidence to confirm what the extent of the impacts are of the Pulborough abstraction on the Arun Valley designated sites. It is a fundamental concern that this evidence is not available to support the WRMP. However, we appreciate that the WRMP has had to assess various scenarios based on what the outcome of the study may be. Indeed, we question whether the WRMP can be found sound without this critical piece of evidence.

We do, however, worry that the WRMP effectively significantly delays action to mitigate the potential impacts of the Pulborough abstraction until the study is published. It states on page 19 of the consultation summary document that for the first 10 years the WRMP is “prioritising areas where change or caps to licenses are confirmed”. We question whether such delays are necessary given the current situation in Sussex North or whether actions could be taken in advance of the study’s publication to help mitigate impacts. It appears from the scenario testing that SW recognise that there is likely to be a licence reduction at Pulborough, but do not want to be definitive with the preferred solution until the study is published. The WRMP Technical Report (p28) also implies that the extent to which SW could accommodate earlier licence reductions is impacted by delays to the Hamsphire and Littlehampton schemes. If the EA decide that an early licence reduction is required, SW will have to provide solutions and therefore these should be included as potential options in the WRMP now.

Whilst we acknowledge that the study will be published after the production of the WRMP, we think that SW need to commence mitigation works for the Pulborough abstraction as soon as is practicably possible, given that a licence reduction is considered likely and the ongoing implications of water neutrality and the delays to delivery of housing and essential infrastructure in Sussex North.

Habitats Regulations Assessment

Upon our initial review of the WRMP and its supporting evidence, we were surprised that the Habitats Regulations Assessment (HRA) identifies no adverse effects, given the known effects on the Arun Valley designated sites, which are subject to an HRA, and NE’s position that the Pulborough abstraction could be a cause of these effects. Clearly if SW’s existing supply infrastructure were considered in the HRA, the ‘no adverse effects’ conclusion could be not be reached without the evidence from the Sustainability Study being available.

We understand that this was achieved by the HRA only assessing the new supply options being considered and does not account for *existing* impacts from infrastructure already in-use (i.e. the abstractions at Pulborough), with the argument being that these are already licenced under a separate regime by the EA, which requires a separate HRA process.

We have significant concerns with this assessment. We believe that the HRA should assess the impacts of existing infrastructure, particularly where it is known or strongly suspected to be causing an HRA issue, as is the case with the Pulborough abstractions. We would also, however, note that it would not be possible if this were the case to rely on third parties to mitigate these impacts (as was confirmed in the recent Kilnwood Vale decision by the housing minister), for example by relying on the ongoing work of the development industry,

local authorities and SNOWS to provide mitigation. It is for SW to demonstrate through the HRA process that they can mitigate any impacts themselves.

Despite our concerns, it is beyond our remit to review the HRA in detail, so we will leave this to NE as the competent body. We have, however, expressed our HRA concerns to NE, EA, Ofwat, Defra and MHCLG through our Executive Board and other communications.

West Chiltington boreholes proposal

One of the new supply proposals in the WRMP is for the refurbishment and reinstatement of SW's existing water supply boreholes in West Chiltington. We understand that this proposal has been re-introduced relatively recently, having been initially proposed in the 2019 WRMP as an option but subsequently discounted.

We have some concerns about what the reinstatement of this borehole could mean for new private water supplies around West Chiltington. Since water neutrality requirements were introduced for new developments, private water supply boreholes have been increasingly used across the Sussex North area to provide offsetting or as a separate supply for new developments. Notwithstanding concerns that these private supplies could potentially have in-combination impacts, several new private supply boreholes have been sunk in the area around West Chiltington and are now legally secured to planning permissions. We are concerned that the yields of these private supply boreholes could be impacted by the reinstatement of SW's borehole and that this has not been properly accounted for in the latest WRMP. Similarly, the new private boreholes are usually below the threshold to require an abstraction licence from the EA, so there is a risk that they may not be properly accounted for in any licensing arrangements for the SW borehole.

Delays to mitigation schemes

Our initial understanding from NE was that the water neutrality requirements will remain in place until either the abstraction at Pulborough is shown to not be causing an adverse effect, or until sufficient mitigation measures are put in place to mitigate its fully permitted volume. However, we have been made aware by NE recently that they may be in a position to remove their position statement if SW agree to a licence cap at the Pulborough abstractions' 'recent actual' abstraction volume, which we understand to be around 5 megalitres per day. This is a significant change to our previous understanding, and again, we question whether this has been reflected at all within the WRMP. This approach, if agreed, would suggest that water neutrality requirements could be removed much more quickly than is currently forecast, i.e. earlier than the delivery of the Littlehampton Water Recycling Scheme.

The plan sets out several schemes for infrastructure solutions that will mitigate the impacts of Pulborough abstraction, notably the Littlehampton WTW recycling scheme, the reinstatement of boreholes at West Chiltington and Petersfield, and new boreholes at Petworth. It is notable and concerning that these schemes are already experiencing delays against their delivery targets set out in WRMP19. Littlehampton WTW indirect potable water recycling in particular is an innovative scheme with a large amount of new infrastructure required. Whilst these are innovative schemes that demonstrates SW's commitment to tackling water scarcity issues, it does increase the risk of future delays; and it is important to recognise that these infrastructure schemes are not without their own potential environmental impacts that will need to be addressed. Delays in mitigation coming forward will in turn extend the period over which water neutrality is required, and local development is impacted.

Therefore on this issue too, we question whether there is more that Southern Water could be doing over the short term such as including installation of flow regulators as part of the water meter programme and expediting this, and whether the proposed infrastructure schemes, including the associated engagement with relevant authorities and environmental

assessment work, can have greater priority in the WRMP and its timetable to ensure schemes are not unnecessarily delayed and be expedited as far as possible. What assurances are SW able to provide to the Sussex North authorities and other stakeholders that their latest forecast delivery dates are realistic and achievable, given SW's previous underperformance?

Non-household offsetting and the Business Partnership Fund

We were recently made aware of SW's intention to launch (following a pilot that has already taken place) a Business Partnership Fund, targeting non-household (NHH) water use reductions. At the WRMP workshop that the Sussex North authorities held with SW on 31 October 2024, we were advised that this is in support of SW's target to reduce NHH water use by 9% by 2038, but conversely will not be actively promoted in Sussex North to 'leave the field open' for SNOWS' offsetting efforts.

As we set out at the workshop, this has left us with several questions or issues. First, we feel that it would be preferable for SW to lead on any such programme in Sussex North, as SW has the existing expertise, contracts and financing to enable this work to take place across Sussex North at scale significantly more quickly than SNOWS could achieve. Whilst we recognise the 'double-counting' argument (i.e. that the NHH savings could not be used for both SNOWS credits and counting towards NHH reductions for government targets), we feel that there are ways to reconcile this issue with the relevant regulators, such as capping any NHH reduction targets (for government) in Sussex North to a particular level, with additional savings benefitting the SNOWS scheme, or government allowing savings in the Sussex North area to be excluded from SW's 9% target.

We would welcome further consideration of this issue by SW in discussion with NE and others.