



Examination Statement

Prepared on behalf of Bellway Homes and Crest Nicholson (Representor Number 1194442)

Land East of Billingshurst

Horsham District Council Local Plan
Examination in Public

Matter 3: Climate Change and Water



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Appendices

Appendix A – Glossary

1. Introduction

- 1.1. This Examination Statement has been prepared by Savills, on behalf of Bellway Homes ('Bellway') and Crest Nicholson ('Crest'), to respond to the relevant questions the Inspector has raised for **Matter 3**. Bellway and Crest are the joint promoters for the draft strategic allocation Land East of Billingshurst (otherwise referred to as 'the Site' or 'the Promotion').
- 1.2. Prior to the submission of the Horsham District Local Plan (HDLP) to the Planning Inspectorate for examination, Bellway and Crest have participated in the formal consultation of the Local Plan at Regulation 18 (R18) (April - May 2018) and Regulation 19 (R19) stages (January - March 2024). The respondent ID is **1194442**.
- 1.3. As evidenced within the R19 representation, Bellway and Crest confirmed their support for the emerging Local Plan and the representation should be read alongside this Examination Statement. It is therefore considered that the Plan is broadly supported subject to minor objections with regards to the wording of the emerging policies. Overall, the Plan is currently not considered sound given its failings in positive preparation, effectiveness and consistency with national policy (due to minor technicalities and that it does not appropriately account for identified housing need in accordance with the Standard Method).
- 1.4. As per the area of the emerging allocation HA4, the location of the Site, its surroundings and the development vision have been set out in detail at the R18 and R19 consultations and have therefore not been reproduced in detail for this statement. For the avoidance of doubt, this includes the land being promoted by Crest and Bellway and the approved Amblehurst Green development which all sits within the area of the emerging allocation HA4.
- 1.5. For the avoidance of doubt, any policies referred to within this Statement relate to the emerging Local Plan unless otherwise stated.

2. Response to the Inspector's Questions

Matter 3 – Climate Change and Water

Issue 1 – Whether the approach to climate change and energy use, sustainable design and construction is justified, effective, consistent with national policy and positively prepared?

Q1 - Is Strategic Policy 6: Climate change sound? a) Is this policy consistent with national policy, justified and effective particularly when read alongside Building Regulations? b) Does the justification accurately reference “net zero carbon”? c) Is criterion 2 d) effective? d) is the reference to “sustainable transport infrastructure” effective and consistent with other policies in the Plan? e) Does this policy appropriately deal with the demolition of buildings?

2.1. Bellway and Crest do not consider that Strategic Policy 6 is consistent with national policy and could create conflict with both Building Regulations and Future Homes Standards. Therefore they object to this policy and would advise that it is removed or re-worded to provide greater flexibility on the basis that Building Regulations and Future Homes Standards already include climate change mitigation requirements.

2.2. Bellway and Crest recognise the need and importance of adapting for climate change and the crucial role planning has in tackling the climate emergency however, it is unclear whether viability and the potential costs for developers has been reflected in the requirements of this policy.

Q2 - Is Strategic Policy 7: Appropriate Energy Use sound? a) Is the cascade set out in criterion 1 justified and effective? b) Is the order of preference set out in criterion 2 c) justified and effective? Should any other “means” be identified and are the “means” identified justified and effective? c) Is the reference to energy from waste in the justification text justified?

2.3. Similarly to the comments raised above in relation to Strategic Policy 6, Bellway and Crest do not consider that Strategic Policy 7 contains clear and concise policy wording that provides sufficient flexibility for developers to explore a range of options for renewable energy generation both on- and off-site.

2.4. As highlighted in the R19 representations, Bellway and Crest do not consider criterion 2 (Zero and Low Carbon Heating) is justified and effective and thus should be removed from this policy. A hierarchy for

achieving net zero and low carbon heating is not considered necessary and there is not sufficient supporting evidence to justify why HDC prefer developments to use a local heat network over heat pumps / other renewable energy sources.

Q3 - Is Strategic Policy 8: Sustainable Design and Construction sound? a) Is this policy consistent with national policy, justified and effective particularly when read alongside Building Regulations? b) Is it consistent with national policy and legislation with regard to its approach to heritage assets? c) Is it consistent with Strategic Policy 9: Water Neutrality?

- 2.5. As set out in the previously submitted R19 representations, it is not considered that Strategic Policy 8 is required due to the overlap with the Building Regulations which are a statutory requirement. Therefore, it is advised that this policy should be omitted from the HDLP due to a lack of effectiveness and consistency with national policy.

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

Q1 - Is Strategic Policy 9: Water Neutrality sound?

b) Is the restriction for residential development of 85 litres of mains supplied water per person per day justified and effective?

- 2.6. In so far as Strategic Policy 9 refers to water efficiency from new development, the target of 85 litres is more stringent than Southern water's requirements. It is more stringent than Southern Water's target of 100 litres of water per person per day which in itself would lead to very large per capita reductions in water demand from the current average consumption of circa 127 litres per person per day¹.
- 2.7. Southern Water is committed to halving leakage from its network by 50% by 2050². To put this into context, Southern Water supplies 566 MI of water per day and treats 1,248 MI of waste water per day³. Southern Water's average total leakage rate over the most recent three years was 99.7 million litres per day, which

¹ <https://www.southernwater.co.uk/save-a-little-water/>

² <https://www.southernwater.co.uk/help-and-support/what-were-doing-to-minimise-leaks/>

³ <https://www.southernwater.co.uk/about-us/our-plans/your-water-your-say/>

represents approximately 17% of supply and in 2022-2023 it reduced leakage by (only) 0.2% against a target of 9%⁴.

2.8. The concern relating to Water Neutrality appears to relate back to the Gatwick Sub-Region Water Cycle Study⁵ (**GSRWCS**).

2.9. Section 4.9.12 of that study refers to Funding for Water Neutrality and states that “*Water neutrality is unlikely to be achieved by just one type of measure, and likewise it is unlikely to be achieved by just one funding source. Funding mechanisms that may be available could be divided into the following categories:*

- *Further incentivisation of water companies to reduce leakage and work with customers to reduce demand*
- *Require water efficient design in new development*
- *Developer funding to contribute towards encouraging water efficiency measures*
- *Require water efficient design in refurbishments, when a planning application is made*
- *Tighter standards on water using fittings and appliances.”*

2.10. *Currently in the UK, the main funding resource for the delivery of water efficiency measures is the water companies, with some discretionary spending by property owners or landlords. For water neutrality to be achieved, policy shifts may be required in order to increase investment in water efficiency. Possible measures could include:*

- *Further incentivisation of water companies to reduce leakage and work with customers to reduce demand*
- *Require water efficient design in new development*
- *Developer funding to contribute towards encouraging water efficiency measures*
- *Require water efficient design in refurbishments, when a planning application is made*
- *Tighter standards on water using fittings and appliances.”*

2.11. The concept of Water Neutrality evolved from this starting point, taking limited account of the regulatory controls exercised by the Environment Agency, Ofwat and DEFRA in conducting the Water Resources Management Plan (WRMP) reviews every five years, to ensure a sustainable water supply over the ensuing five years, as part of a 50 year plan. The 2024 WRMP will apply over the period 2025 – 2030 and is currently the subject of consultation, prior to its approval. As part of the approval process, the Environment Agency will conduct an Appropriate Assessment of the WRMP.

⁴ <https://www.discoverwater.co.uk/leaking-pipes>

⁵ https://crawley.gov.uk/sites/default/files/2021-01/Gatwick_sub_region_water_cycle_study_August_2020.pdf

- 2.12. NE's concern is strictly limited to the potential effects of licenced groundwater abstraction at Hardham. The EA is undertaking a Sustainability Review of the licence to establish what, if any, groundwater abstraction at Hardham can be excluded from a likelihood of adverse effects on the integrity of the protected site. This is to report in March 2025 and will inform what, if any, exercise of the EA's powers under s.52 of the Water Resources Act 1991 is required. It might be that the Sustainability Review will conclude that the licence will need to be revoked, or amended to a new limit, or it might not need to be amended.
- 2.13. Until the Sustainability Review is concluded, there is no known level of groundwater abstraction at Hardham that can be excluded from having an effect. The EA has agreed a voluntary commitment by SW to reduce the groundwater abstraction from c.12MI/d average to c.5MI/d average. This commitment by SW extends at least to the completion of the sustainability review of the licence in 2025. It was tested and proved robust during the drought of 2022.
- 2.14. It should be acknowledged that until the Sustainability Review has been completed, there is no evidence of an effect either. The GSRWCS did not refer to any evidence of an effect, merely concern that it was not possible to conclude the absence of an effect. It is important not to reinforce the hypothesis that there is an effect in the absence of any evidence to support this, just as it is important not to point to the absence of an effect, without supporting evidence.
- 2.15. According to Natural England '*The definition of water neutrality is the use of water in the supply area before the development is the same or lower after the development is in place*⁶. This definition goes well beyond the potential pathway by which an impact might occur, which is asserted to be abstraction of groundwater from Hardham/Pulborough. In March 2025, the Sustainability Review will confirm whether this assertion can be maintained or withdrawn.
- 2.16. Noting that Natural England in its position statement⁷ accepts that Water Neutrality is (only) one way of demonstrating that development does not exacerbate the Arun Valley's failing conservation status, another way to ensure that development does not add to any pressure is to provide alternative sources of water to meet that need, as it is the water company's duty to do through its WRMP process under the Water

⁶ https://www.horsham.gov.uk/data/assets/pdf_file/0019/106552/Natural-Englands-Position-Statement-for-Applications-within-the-Sussex-North-Water-Supply-Zone-September-2021.pdf

⁷ *ibid*

Resources Act, or to improve efficiency through leakage reduction or, for example, Southern Water's Target 100 programme.

- 2.17. The Environment Agency asked Southern Water a series of questions about the delivery of options to remove Natural England's Water Neutrality constraints, the responses to which are contained in the revised draft WRMP at Annex 5.2⁸.
- 2.18. In its response (see R1.1 – R1.2) Southern Water (**SW**) confirmed that Weir Wood WSW is scheduled to provide 13MI/d from 2025/2026 and will presumably be able to confirm the supply for 2024/2025 soon. They will also continue to deliver water efficiency and leakage reduction programmes and the Littlehampton WTW recycling scheme. SW have agreed in principle with SES Water to extend the current arrangement in Sussex North WRZ to 2031 and increase Deployable Output benefit from the current 1.3MI/d to 4MI/d. SW have agreed with Portsmouth Water that the bulk supply to Pulborough will remain at 15MI/d for WRMP24.
- 2.19. At R1.4, SW confirm that the Water Neutrality Position Statement will apply until the Pulborough groundwater licence is amended following the Pulborough groundwater sustainability investigation (concluding 2025) or until there is sufficient supply-demand headroom to allow the Pulborough groundwater source licence to be reduced if it is found to be having an adverse effect.
- 2.20. SW confirm that their Pulborough drought options relate only to surface water abstraction and assume the groundwater will be unavailable and the MRF condition would not be modified to allow any additional groundwater abstraction (during drought).
- 2.21. No reasonable amount of reduction in water use can reduce or stop abstraction from Hardham. Only the statutory regulators of licencing, the EA, and the statutory water provider, who are each duty bound to operate under the Habitats Regulations, can reduce or cease abstraction at Hardham.
- 2.22. In their response to Natural England SW state that in the case of Pulborough, adverse effects were not ruled out, through the precautionary principle, but are not yet supported by field observations⁹. This

⁸ <https://www.southernwater.co.uk/media/dzmok0bl/sor-annex-52-responses-to-non-questionnaire-respondents-by-organisations.pdf>

⁹ *ibid*

suggests that at the time of writing Annex 5.2 in August 2023, there was no evidence of any effect on the Arun Valley SAC, SPA or RAMSAR site as a consequence of groundwater abstraction from Hardham.

c) Is it clear how this policy would be applied to non-domestic buildings?

2.23. While it seems to be clear how the policy would be applied to non-domestic buildings, it would be possible to set out a target or procedure that achieves the equivalent in terms of water consumption, without the need to do this through the BREEAM scheme.

d) Is the approach to water off setting justified and effective? Has any further progress been made on implementing the Sussex North Offsetting Water Scheme? When realistically is it likely to be in place? Will it be effective?

2.24. Strategic Policy 9: Water Neutrality states at Section 5.35, “*Recognising that offsetting capacity in SNOWS will be limited, access will be managed by the authorities to ensure that there is sufficient capacity in SNOWS to demonstrate water neutrality in schemes that are approved. The authorities (Chichester District Council, Crawley Borough Council, Horsham District Council, Mid Sussex District Council, South Downs National Park Authority and West Sussex County Council) will publish and keep regularly updated a Scheme Access Prioritisation Protocol (SAPP) to show how access to SNOWS will be managed. Infrastructure necessary to support planned growth, such as schools, will be prioritised in the SAPP.*”

2.25. It is clear that HDC envisages a hierarchical approach in allocating SNOWS to schemes. Without any guidance as to what this **SAPP** process entails or what it will allow, it is impossible to say whether the approach to water offsetting is justified. At the very least, access to SNOWS should be provided to sites that are on balance acceptable and would be granted planning consent in the absence of SNOWS. It seems unreasonable (at least) to withhold access to water (or water credits) to prevent development that is otherwise acceptable. **SAPP**'s advantages over allocation of SNOWS on a first come first served basis are not clear.

2.26. SNOWS is likely to become unnecessary sooner than 2031, for example if the Sustainability Review concludes in 2025, that groundwater abstraction from Hardham is sustainable at some level, or unsustainable and the EA takes action to secure the temporary reduction of abstraction from this source, which might have the effect of encouraging Southern Water to bring forward alternative supplies sooner.



- 2.27. Noting that SNOWS is not yet in place and has been delayed, more than three years since Natural England published its Position Statement, there can be only limited confidence that it will be in place in time to allow it to make any meaningful contribution to water offsetting. It is of course unnecessary if water efficiency, leakage reduction and alternative supplies are made available, or if the Sustainability Review concludes in a few months that there is no reasonable likelihood of an effect (on the Arun Valley sites).
- 2.28. Given the very limited contribution SNOWS is likely to be able to make to water offsetting, firm evidence, with real examples of a pipeline of delivery, is needed to demonstrate its effectiveness in delivering sufficient capacity to meet planned growth. SNOWS has generated a competition in retrofitting, which is hindering its delivery. Another option of alternative supplies, often using boreholes to supply water from other aquifers creates a potential risk to public health. Some confidence that multiple private suppliers of water are able to deliver the same quality of service and safety as that which Southern Water is required to provide is warranted by the decision maker causing this situation.

AMENDMENT REQUIRED:

Part 4 of Strategic Policy 9 should be amended to allow developments to proceed with bespoke Water Neutrality solutions without regard to SNOWS or any other strategic solution.

3. Conclusion

- 3.1. This Examination Statement has been prepared on behalf of Bellway and Crest with regards to representation 1194442. It provides answers to the questions raised by the Planning Inspector under Matter 3: Climate Change and Water of the MIQ's.
- 3.2. Bellway and Crest do not consider that all policies referred to under Matter 3 are required due to potential conflicts with the Building Regulations and Future Homes Standard. They also reiterate that offsetting water to resolve the impact caused to the Arun Valley SPA, SAC and Ramsar should not fall to the development industry. Instead it falls within the remit of Southern Water and the Environment Agency under their statutory duties.

Appendix A Glossary

GLOSSARY

HRA	Habitat Regulations Assessment
WSCC	West Sussex County Council
HDC	Horsham District Council
HDPF	Horsham District Planning Framework
DHDLP	Draft Horsham District Local Plan
NPPF	National Planning Policy Framework
R18	Regulation 18
R19	Regulation 19
SA	Sustainability Assessment
SSSI	Site of Special Scientific Interest
SuDS	Sustainable Drainage Systems
SNOWS	Sussex North Offsetting Water Scheme
SNWRZ	Sussex North Water Resource Zone
5YHLS	Five-year Housing Land Supply

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