



HORSHAM LOCAL PLAN EXAMINATION: MATTER 3 CLIMATE CHANGE AND WATER (OUR PLACE REF 1198209)

MATTER 3 ISSUE 2: WATER NEUTRALITY (STRATEGIC POLICY 9)

1 Introduction

- 1.1 This statement has been prepared on behalf of Our Place Sustainable Development Limited ('Our Place'). It follows the Inspector's Notes ID03 (Examination Guidance Note) and ID04 (Matters, Issues and Questions) and considers the soundness of the Submitted Regulation 19 Local Plan (SD01) as proposed to be modified by SD14 (v2).
- 1.2 As background, Our Place is both the landowner and the master developer for the proposed 150 ha Kingswood new settlement. Located close to Adversane¹ south of Billingshurst, it has the potential to deliver 2,850 homes, employment and town centre uses (providing 2,450 jobs)² with associated open space, schools, community facilities and infrastructure. Despite Our Place proactively engaging with the Council throughout the local plan process, having signed up to a planning performance agreement (PPA) and providing extensive evidence to demonstrate the unconstrained and deliverable nature of Kingswood, it has unjustifiably omitted from the Local Plan³.
- 1.3 This Statement comments on the soundness of the plan and its evidence base following the questions posed by the Inspector in relation to this matter. Statements have been lodged in respect of other matters and, where appropriate, these are referenced in this Statement.

2 Our Place response to Water Neutrality

- 2.1 In recognition of the constraints associated with water neutrality, Our Place commissioned Aquality to prepare a Water Strategy for the Adversane Site (**Appendix 1**). In addition to the introduction of water fittings to limit water use, it includes proposals to introduce:
 - 2.1.1 Rainwater harvesting which, following on site treatment, can be used as the primary source of water to meet the demand for the development.
 - 2.1.2 Grey water recycling to further reduce demand.
 - 2.1.3 Subject to feasibility testing, the use of boreholes to provide for back up and increase resilience.
 - 2.1.4 Bespoke offsets, with in principle agreement having been reached with Brinsbury College approximately 1 mile from the site to upgrade their water infrastructure in order to reduce water consumption.

¹ Which it is often called in the Councils' evidence base (under reference SA597)

² Comprising circa 11,419 sq.m of office space, 3,000 sq.m of light industrial, 7,255 sq.m of retail floorspace and a hotel

³ Extensive representations on behalf of Our Place were submitted to both the Regulation 18 and 19 versions of the draft Plan (ref [SD13.1198209](#)).



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- 2.2 As the note explains, rainwater harvesting alone could provide 310,000 m³/year compared to a total water demand of 211,000 m³/year based on the 85 litre per person per day (lpd) metric cited in policy SP9. It would therefore provide a surplus of water compared to demand.

3 General comments on Water Neutrality

- 3.1 We respond below in turn to the Inspector questions. More generally, Our Place share fundamental concerns expressed by the HBF and others about the unsound nature of the overall approach, noting that the obligations lie with the water companies to develop and maintain a water system⁴ (not the property industry) and how those authorities are obliged to comply with the Habitats Regulations (which lies at the heart of the constraints on housing and the approach taken in the draft Local Plan).
- 3.2 Of significant concern is the reliance on the water companies and others to remove the constraint and, in the interim, formulate and implement measures to offset water shortages. As explained below, there remains significant uncertainty about whether this is achievable and if it can work in practice. Recent reports about the financial weaknesses of the water companies⁵ add to such concerns.

4 Matter 3, Issue 2 – Whether the approach to water neutrality and flooding is justified, effective, consistent with national policy and positively prepared?

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?

- 4.1 The evidence base purports to explain why the Council have proposed a restriction of 85 lpd of mains supply water which in light of the conclusions of the 2023 Joint Water Neutrality Topic Paper (JWNTP).
- 4.2 However, no proper consideration has been given to the ability to reduce pressure on the water network further through the provision of on site infrastructure or other means. Whilst part 6 of SP9 notes situations where alternative water supplies are provided, the ability for this to meaningfully assist in reducing overall water demand in the district has not been considered fully as part of the Local Plan evidence base and in turn reflected in policy.
- 4.3 As explained above, Our Place's water advisors Aquality consider new settlements like Kingswood could deliver a water surplus. It means that the Local Plan does not need to apply a blanket restriction on housing delivery based on general assumptions and is acting unsoundly and in breach of legal requirements on alternatives in doing so. As is explained in

⁴ Consistent with obligations in Sections 37 and 94 of the Water Industry Act

⁵ E.g. <https://www.ft.com/content/8b56376d-7c1b-4aa9-bf9e-63e6a45c3ede>



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this, and other matter statements, Horsham should increase its housing targets and allocate the Adversane Site for a new settlement.

Is Strategic Policy 9: Water Neutrality sound?

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

- 4.4 In principle the requirement in part 1b of the policy for new non-domestic buildings is considered achievable. Consistent with comments on the standards for dwellings, this is likely to be conservative and capable of being reduced with detailed modelling and bespoke on site solutions.

Is Strategic Policy 9: Water Neutrality sound?

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?

- 4.5 No. The evidence does not demonstrate that the approach is justified or effective. Part 3 of SP9 states that an offsetting scheme will be introduced with the authorities managing access to ensure that sufficient capacity exists. This is problematic for several reasons:

4.5.1 Section 5 of the JWNTF makes it clear that an offsetting scheme is at an early stage of development with preliminary processes and measures suggested. The July 2024 Policy update note provides little further confidence about how it will be implemented and the SNOWS Project review (May 2024), relied upon for the local plan evidence base, shows a significant number of actions as 'ongoing'.

4.5.2 Its not clear how capacity will be managed and whether offsetting will track housing delivery. No evidence has been provided to demonstrate whether enough SNOWS offset credits will exist nor whether there is alignment between these credits and projected housing delivery. There is a danger that it could inhibit delivery, with the possibility that developers will have to join a queuing scheme before being able to proceed.

4.5.3 There no certainty about offsetting costs to developments. The 5th bullet beneath paragraph 3.42 of the JWNTF explains that the total cost of delivering the required offsetting volume is to be spread across all development with a requirement to be water neutral (except for development providing their own offsetting solution). There is no explanation about the likely total cost of offsetting and how much of this can be funded from developer contributions (rather than development providing their own solutions). In turn, it means that it is not possible to conclude that any contributions meet the tests for planning obligations (NPPF paragraph 57) and they would not undermine the viability of development (NPPF paragraph 58). We consider viability further below.

4.5.4 Whilst the JWNTF recognises that contributions may be necessary for offsetting from development with on site solutions, there is no reference to this in the supporting text to SP9 (paragraphs 5.30 to 5.37) nor the policy itself, with only general reference to the SNOWS. As explained below, the Local Plan viability assessment appears to have



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made certain (unevidenced) assumptions about how offsetting costs will be funded on a cost per dwelling basis.

- 4.6 The JWNTP (paragraph 3.39) explains that once a long term solution has been put in place by Southern Water then a water neutrality scheme may no longer be required, with the Part C Mitigation Strategy initially running to 2030. However, it may be the case that the ground water abstraction sources identified by Natural England (e.g. Harham/Pulborough) are no longer required sooner than this; causing the removal of adverse impacts on protected habitats earlier. Changes could happen quickly removing this major constraint and there would no longer be any reason why growth should be limited within Horsham District as a result of water neutrality. The Local Plan should plan for this eventuality with flexible policies and triggers for an immediate Local Plan review.
- 4.7 Part 7 of SP9 states that where water neutrality is no longer required then development should revert to the 100 lpd target. It should be made clear that if part 7 is triggered then all other requirements of policy SP9 should fall away, including requirements for offsetting, water neutrality statements and alternative water supplies. This may also apply to development with planning permission where offsetting and other obligations have been agreed but are no longer required. It should therefore be clear that obligations may be reviewed and not secured in perpetuity.

Is Strategic Policy 9: Water Neutrality sound?

e) Has achieving water neutrality been adequately assessed as part of the viability evidence and is this policy flexible enough to deal with changes in circumstances with regard to water neutrality?

- 4.8 No. Page 34 of the Local Plan Viability Assessment indicates that £2,000 per dwelling has been assumed to achieve the policy requirement of 85 lpd. This is explained as follows:
- “Cost as agreed with Council Officers and reflects efficiency of 85 litres/person/day. Evidence taken from Sussex North Water Neutrality Study: Part C, JBA Consulting (October 2022). Cost has also been adopted in Crawley Local Plan Viability assessment, currently going through examination. Allowance includes both new-built fit out; offsetting via retrofitting; funding for administration of offsetting programme, and a contingency allowance”*
- 4.9 Aside from the misalignment with the policy, which makes no specific reference to funding (via S106) for offsetting programmes, no evidence has been provided to demonstrate whether this takes into account on site provision which could be provided in combination with, or as an alternative to, strategic offsetting schemes.
- 4.10 On behalf of Our Place, AQUALITY have costed the infrastructure associated with water neutrality and estimate that this will cost in the order of £8.7 m. Incorporating the measures as part of the Adversane Site is considered deliverable and would not inhibit the delivery of the project.



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The overall viability of the project was confirmed in the Council's viability appraisal for major sites⁶.

5 Recommended Changes to Policy SP9

5.1 Taking into account the above, the following modifications should be made to the policy as proposed to be modified by HM015 of SD14:

Strategic Policy 9: Water Neutrality

The Council will work closely with other organisations to review whether measures need to remain in place to deliver water neutrality. In the event that water neutrality is no longer required it will undertake an immediate review of the local plan and only part 7 of this policy will apply.

1. Until it has been confirmed that water neutrality is no longer required, all development within the Sussex North Water Resource Zone (WRZ) will need to demonstrate water neutrality through water efficient design and offsetting of any net additional water use of the development. This is to be achieved by ensuring that:

Water Efficient Design

- a) New residential development is designed to utilise no more than 85 litres of mains supplied water per person per day;
- b) New non-domestic buildings to achieve a score of 3 credits within the water (WAT01 Water Consumption) issue category for the BREEAM Standard or an equivalent standard set out in any future update; and

Offsetting Water Use

- c) Development proposals must demonstrate that having achieved water efficient design, any mains-supplied water use from the Development is offset such that there is no net increase in mains-supplied water use within the WRZ compared with pre-development levels.

Water Neutrality Statement

2. A water neutrality statement will be required to demonstrate how policy requirements have been met in relation to water efficient design and offsetting. The statement shall provide, as a minimum, the following:

- a) baseline information relating to existing water use within a development site;
- b) full calculations relating to expected water use within a proposed development;
- and
- c) full details of how any remaining water use will be offset.

Offsetting Schemes

3. A local authority-led water offsetting scheme will be introduced to bring forward development and infrastructure supported by Local and Neighbourhood Plans. The authorities will manage access to the offsetting scheme to ensure that sufficient water capacity exists to accommodate planned growth within the plan period. The proposed approach including any financial obligations will be set out in a supplementary planning document which will be the subject of consultation and evidence to ensure that the scheme is viable, deliverable and will not inhibit the delivery of housing.

⁶ See for example Table ES1



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4. Development proposals are not required to utilise the local authority-led offsetting scheme and may bring forward their own offsetting schemes. Any such development proposals will need to have regard to the local authority-led offsetting scheme and associated Documents.

5. Offsetting schemes can be located within any part of the Sussex North Water Resource Zone, with the exception that offsetting will not be accepted within the Bramber/Upper Beeding area identified in the Policies Map, unless the application site is located within the Bramber/Upper Beeding area.

Alternative Water Supply

6. Where an alternative water supply is to be provided, the water neutrality statement will need to demonstrate that no water is utilised from sources that supply the Sussex North WRZ. The wider acceptability and certainty of delivery for alternative water supplies will be considered on a case-by-case basis.

Area of Water Stress

7. Should the need to demonstrate water neutrality no longer be required, new residential development must be designed to utilise no more than 110 litres of mains supplied water per person per day, as per the Building Regulations optional requirement for tighter water efficiency. For non-domestic buildings, the minimum standards for BREEAM 'Excellent' within the Water category will apply. Should tighter national standards be introduced during the Local Plan period applicable for areas of serious water stress, they will be applied.



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APPENDIX 1: AQUALITY SUMMARY WATER STRATEGY FOR ADVERSANE SITE (KINGSWOOD)

Site description

Current proposal for Kingswood include the following:

- 2,858 residential units, including a 150-unit retirement village, delivered in 5 phases
- 3 education facilities, including:
 - o Two primary schools (both 2FE, 420 pupils each)
 - o Six-form entry secondary school (5FE, 900 pupils)
- 7,255m² retail space
- 11,419m² office space (includes Kingswood works)
- 3,000m² light industrial / small business workspace
- A health centre: 6 GPs, nurse and administration support
- 50-room hotel and leisure centre

Water demand and potential supply

Demand for water for residential properties was modelled using water consumption of 110 litre / person / day as per the Requirement G2 of the Building Regulations 2010 (baseline scenario), and an emerging requirement of 85 litre / person /day as per Strategic Policy 9: Water Neutrality of Horsham District Local Plan 2023-2040 (high water efficiency scenario). The demand for commercial and educational facilities was modelled using appropriate BREEAM 2014 Wat 01 calculators and BS 8542:2011 using fittings that at component level meet or exceed the efficiency criteria necessary to achieve 3 BREEAM credits. Total water demand for the development was estimated to be approx. 263,000 m³ / year under the baseline and approx.. 211,000 m³/year under the high water efficiency scenario.

Rainwater yield was estimated taking into account the architectural plans and the amount of hard surfaces (roofs, paved areas, roads) from which rainwater could potentially be collected. The rainwater yield for the development is estimated at approx. 310,000 m³/year, which is substantially above the estimated total water demand of the development under both modelled scenarios.

Water strategy

It is intended that rainwater harvested within the red line of the development will be used as the primary source of water to meet the demand of the development. Rainwater will be harvested and treated to the necessary standard to supply potable and non-potable applications using existing tested treatment technology, such as ozone, reverse osmosis, carbon filtration and/or UV treatment and the choice of technology will depend on the water quality that will be necessary to achieve. Additionally, grey water recycling will be considered where advantageous and feasible as a means to further reduce the demand.

It is intended that an integrated approach to water management, to include the requirements for water supply, surface water drainage (SUDS) and space planning and landscaping, will be followed with types and sizing of storage and treatment facilities to be aligned with phasing. At this stage it is envisaged that different types of water storage, including ponds / lakes and tanks, will be used.

Whilst rainwater yield will be sufficient to meet the demand, this solution could be complemented using boreholes to provide for a back-up and increase resilience. Following the preliminary desktop study, test drilling is being arranged to ascertain the volume of available water and confirm whether its extraction can be conducted from the aquifers that are not connected to the Pulborough abstraction area.



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Additionally, and to provide further flexibility as part a potential mixed strategy and / or further resilience an in-principal agreement has been achieved with Brinsbury college located approx. 1 mile away from the suggested development and within the Sussex North Water Resource Zone, to provide water offsets to achieve water neutrality.

Through the combination of reduction of water use and water reuse measures, supplemented by borehole extraction and water offsets as required, Kingswood development will comply with the requirement of water neutrality. Under the suggested strategy, Kingswood development will not adversely affect the neighbouring areas and other developments.