



Horsham
District
Council

Water Supply and Water Quality Topic Paper

October 2026

1 Introduction

- 1.1 This paper has been produced to support the examination of the Horsham District Local Plan 2023-40 at the request of the Inspector, Mr Jonathon Bore. It addresses potential for the plan to generate adverse impacts on the protected habitats of the Arun Valley. Concerns that have been raised principally fall under two main categories: water supply and water quality.
- 1.2 The first part of the topic paper covers matters relating to water supply. It briefly sets out the background to why a requirement for water neutrality was introduced in the Sussex North Water Resource Zone, including in Horsham District. It then explains the current agreed position between the main bodies involved and how this affects the Local Plan. The second section of the topic paper cover water quality matters. Further detailed feedback on a number of detailed points relating to the Council's Habitat Assessment Documentation (**SD06 to SD10 and HDCJB12 and 12a**) is also appended at Appendix 1
- 1.3 The content of this paper has been reviewed and agreed by the Environment Agency, Natural England, Southern Water in addition to Horsham District Council.

2 Water Supply in Horsham District

- 2.1 Southern Water are responsible for the supply of Water in Horsham District. All of Horsham District, most of Crawley Borough, part of Chichester District, part of the South Downs National Park and a small part of Mid Sussex District, fall within Southern Water's Sussex North Water Resource Zone (WRZ).
- 2.2 The water supply for the Sussex North WRZ is currently sourced from abstraction points in the Arun Valley, which also includes locations such as Amberley Wild Brooks Site of Special Scientific Interest (SSSI), Pulborough Brooks SSSI and Arun Valley Special Protection Area (SPA)/Special Area of Conservation (SAC) and Ramsar site (the Arun Valley Sites).
- 2.3 During the preparation of the Local Plan, Horsham District Council has engaged with Southern Water. Southern Water have undertaken modelling to consider the impact of additional allocations and growth. This assessment is based on the specific sites/ locations in the plan. As set out in **HDCJB5a /5b** paragraph 58 from Southern Water has not identified any immediate or unresolvable issues with the supply of water as a result of the spatial distribution or strategy. As part of the preparation of this topic paper, Southern Water have reconfirmed that there are no current concerns with ensuring a water supply to serve new development identified in the emerging Horsham District Local Plan 2023-2040.

- 2.4 At a more holistic level, Southern Water's 'Water Resource Management Plan' is the overarching plan which considers supply and demand. This documentation sets out how additional demand for water generated from new development will be delivered. The plan has been submitted to Defra for approval. Responsibility for the preparation, implementation and monitoring of this plan is therefore a matter for other regulatory regimes for which Horsham District Council is not responsible.
- 2.5 Notwithstanding this point, it is considered helpful to highlight that the mechanisms which Southern Water is seeking to address water demand are multifactorial rather than reliant on a single site or time limited solution. This includes measures such as demand reduction, including upgrades to water meters / smart metering and leakage reduction as well as alternative sources of supply. A key project for North West Sussex is the Ford Water recycling project¹, which will maintain river levels in drier conditions, therefore ensuring a more reliable and sustainable water supply at this source. For the avoidance of doubt, Southern Water have confirmed to Horsham District Council that the delay in the delivery of the Havant Thicket Reservoir has no impact on supplying water to new development in Sussex. They further note that even with the revised date, the reservoir will be delivered before 2040.

3 Background to water neutrality

- 3.1 In September 2021, Natural England issued a position statement (**Local Plan examination document CC08**) which advised the local planning authorities covered by the WRZ that existing abstraction within the Sussex North Water Supply Zone, which takes place near Pulborough in the Arun Valley, may be having a negative impact on the Arun Valley sites and that new development must not add to this negative impact. The Habitat Regulations 2017 require local plans demonstrate that they will not have an adverse effect on such sites. Natural England advised that this could be achieved by making development "water neutral", where, for every new development, total water use in the Water Supply Zone after the development must be equal to or less than the total water use in the Zone before the new development.
- 3.2 There was a common understanding across parties that water neutrality would be required for as long as there was potential for an adverse effect on the sensitive habitats in the Arun Valley. At the time of

¹ <https://www.southernwater.co.uk/about-us/our-plans/water-recycling/ford-water-recycling-project/>

the publication of the Position Statement Natural England advised that the matter be resolved in partnership through the local plans of the affected authorities.

Local Authority approach

- 3.3 In order to develop a strategic solution, the affected local authorities set up a joint working structure to deliver an offsetting scheme which built upon water efficiency savings already planned by Southern Water (known at the time by the acronym 'SNOWS'). Alongside water efficiency measures, the scheme would have offered at-cost 'water credits' to developers wishing to connect to the water supply grid, therefore providing a mechanism to demonstrate water neutrality.
- 3.4 The work was sponsored and overseen by an Executive Board including high-level representation from these bodies, and a full-time Project Manager and Support Officer respectively recruited. Technical work was managed by a Water Neutrality Lead Officer Working Group led by the district and borough local authorities, with technical evidence produced by JBA Consulting. The scale and complexity of challenge was recognised by Government, with Ministry for Housing and Communities and Local Government (MHCLG) and DEFRA attending meetings to provide the highest-level coordination and support.
- 3.5 The achievement of this objective was a significant challenge, as it involved agreement being reached between four local authorities, Natural England, the Environment Agency and Southern Water. The set-up for this took longer than anticipated due to technical and governance challenges. The scheme was weeks away from its official launch when Natural England were able to formally withdraw their original Position Statement, in light of the outcome of the Hardham Basin Environmental Studies: Hardham Groundwater Abstraction HRA' (referred to going forwards as the Hardham Sustainability Study).

The Hardham Basin Environmental Study and abstraction licence review

- 3.6 Concurrent to the development of the Local Authority Strategic Solution, Southern Water commissioned Atkins Realis to undertake the 'Hardham Sustainability Study'. This study was overseen by a steering group consisting of the Environment Agency, Natural England, the RSPB and Sussex Wildlife Trust. The final study was published in November 2025.²
- 3.7 Using field evidence and modelling, the Study identified the scale of the impact of water abstraction on the Arun Valley habitats and considered the potential ecological and regulatory measures that would

² <https://www.southernwater.co.uk/building-and-developing/water-neutrality/>

address the risk of further decline of the Arun Valley sites. Following agreement by Southern Water to adopt certain further conditions identified by the Environment Agency, the findings and recommendations of the study were endorsed by the Environment Agency and Natural England.

- 3.8 In order to prevent harm to the Arun Valley habitats, the key recommendation of the study was that the annual licence limit for abstraction at Pulborough should be reduced from 6,000 megalitres (ML) per year (an average of or 16.44 ML per day) to 4,745 ML per year (an average of 13 ML per day). It was also recommended the maximum daily abstraction limit be reduced from 30ML to 27 ML per day. Further recommendations to support identified ongoing management of water levels, a programme of monitoring and a package of conservation measures to enhance the habitat.

4 Natural England Withdrawal Statement

- 4.1 In light of the outcomes of the Hardham Sustainability Study Natural England withdrew their Water Neutrality Position Statement and issued its Withdrawal Statement on 31 October 2025. This is attached as Appendix 2. It includes a section 'Detailed Advice' which sets out further background to the agreements reached and actions being undertaken.
- 4.2 Importantly, the covering letter states that in Natural England's view the package agreed provides certainty that development in the Sussex North Water Supply Zone will not have a likely significant effect on the Arun Valley sites in line with the Habitat Regulations. Natural England advise in its statement that in terms of procedural timing, the approach being taken is reasonable and sufficiently precautionary given the time delay between the licence modification being finalised and the time it will take for significant numbers of planning applications to be approved, buildings constructed, subsequently occupied and using water.
- 4.3 The statement advises the following: "Natural England advises that your authority does not need to undertake an appropriate assessment or consult us on water scarcity issues affecting the Sites."

5 Mitigation measures

Licence variation

- 5.1 As of 6 October 2026, Southern Water has confirmed to Horsham District Council that the licence variation application has been submitted to the Environment Agency (the regulatory body for this matter). Southern Water has also confirmed to the Council that it is already voluntarily complying with the new caps on abstraction prior to agreement of the licence change.

5.2 As of 6 October 2026, the Environment Agency has advised the Council that the final stages ahead of formally issuing the licence has been reached. On 9 October, the Environment Agency updated their position confirming that the licence change had been completed and sent for issue. A copy of the licence documentation is attached as Appendix 3.

Other measures

5.3 Natural England's withdrawal statement highlights that the key measure required to resolve water neutrality is the licence change (as it prevents abstraction from degrading the habitat).

5.4 Notwithstanding this, a number of other complementary measures were also identified as necessary to enable the site's features to recover under the revised abstraction regime. Further measures recommended by the study and agreed are:

- On-site water level management – RSPB will manage sluices to maintain suitable water depths and prevent further deterioration of site features.
- Monitoring of site features – Southern Water will continue building a scientific baseline of site conditions, providing assurance that the agreed measures are effective.
- Ecological resilience measures– A package of actions undertaken by the RSPB (e.g. reprofiling/desilting ditches, removing invasive species) to improve site resilience and ensure the licence complies with the Habitats Regulations.

5.5 The Withdrawal Statement outlined that these ecological mitigations were due to be in place by March 2026 . It should be noted that in its withdrawal statement, Natural England advises that local authorities are not required to consider these measures when determining relevant plans or projects.

5.6 Natural England and the Environment Agency have subsequently confirmed that the complementary measures are a package of actions that will be implemented over time. Some measures, such as the management of sluice gates are already in place. Southern Water have committed to enable the RSPB, (using transferred funds), to deliver the works as part of their Downs to the Sea Programme, which includes ecological resilience measures at Pulborough Brooks and Amberley Wild Brooks SSSIs. Ongoing monitoring is to take place through the Asset Management Planning (AMP) 8 WINEP programme. This established Environment Agency framework therefore ensures delivery and accountability of these measures. The Environment Agency have stated that they are satisfied that the scope and commitment to the works meets their expectations.

6 Current (interim) position on HRA-compliant water supply

- 6.1 Notwithstanding the advice provided by Natural England, the Council has recognised that it is the Competent Authority for the consideration of any adverse impacts on protected habitats in the Arun Valley. The Council has therefore maintained a precautionary approach in continuing to consider the potential for adverse impacts, including consideration of the Arun Valley habitat as part of the HRA of the Local Plan. This HRA has concluded that given ongoing progress of the licence agreement, it could be concluded that development arising from the Local Plan would not have an adverse impact on the Arun valley as abstraction will not exceed harmful limits³. The Council remains in active dialogue with the respective organisations on this matter. No evidence has emerged which would indicate that the licence will not continue to be progressed and finalised.
- 6.2 Horsham District Council has continued to take a precautionary approach to the determination of planning applications until such time as the licence cap process is finalised. Southern Water is delivering an ongoing programme of water efficiency savings as demonstrated through their draft WRMP24. The draft WRMP24 shows ample 'headroom' has already been created to cater for new development without having to increase abstraction at Pulborough. This effective surplus was 3,240,000 litres of water per day as of 1 November 2025. Irrespective of the licence change, development can therefore continue in the short term, to the point where the 'headroom' is used up, without having to increase abstraction rates at Pulborough. The Council is monitoring all new planning permissions across the entire WRZ to ensure that the surplus is not exceeded. There is currently ample headroom even with the permissions that have been granted since November 2025.

7 Water Quality and the Arun Valley

- 7.1 During the preparation of the local plan, there have been a number of iterations of the Habitat Regulations Assessment which considers impacts on the water quality on the Arun Valley. In 2022 an HRA 'Horizon Scanning' technical note was prepared, and this was subsequently included in the HRA dated November 2023 (**SD07 Appendix D**). This had used a generic phosphorus calculator adapted for Horsham allocations. Since then, the method for calculating nutrient budgets has changed significantly. Current practice has moved on from this and requires calculators to be specifically designed for individual Habitats sites. Natural England has produced bespoke calculators for other

³ Additional demand for water generated from new development will be delivered from other sources, as set out in Southern Water's 'Water Resource Management Plan'

European sites to ensure consistency between local authorities. No such calculator exists for Arun Valley. Further detail on this point is set out in Appendix 1.

- 7.2 Natural England has undertaken a condition review of the Arun Valley, the results of which were published in May 2025. Natural England provided the local authorities within the Sussex North Water Resource Zone with a summary document which is attached at Appendix 4. (For the avoidance of doubt the note was issued prior to the withdrawal of the water neutrality position statement. The Natural England position on water neutrality in the summary document has therefore been superseded).
- 7.3 The summary document outlines that the primary source of nutrients in the Arun Valley is from diffuse pollution sources (e.g. run off from agriculture). Natural England have concluded that the most appropriate way of addressing elevated nutrient levels is to work with landowners and to focus on improvements of livestock and arable land management. An exception to this trend was identified at Waltham Brooks where a significant input of nutrients into the SSSI from the Coldwaltham Brooks Wastewater Treatment Works (WwTW) was noted. Natural England stated that the most appropriate way of addressing the high levels of nutrients entering the SSSI was through upgrades to the WwTW which Southern Water would deliver. It should also be noted that this treatment works is located in the South Downs National Park and does not serve properties which are the subject of proposed development in the Horsham District Local plan.
- 7.4 In light of the above, there is neither an identified requirement for nutrient neutrality at Arun Valley, (nor a suitable tool to use for the calculations). For both these reasons, and as explained in the HRA Update (**HDCJB12**), it is concluded that no further assessment of nutrient enrichment as a potential significant impact is therefore required as part of the HRA process.

8 Conclusion

- 8.1 There is agreement between the relevant statutory bodies that the mitigations described in the Natural England Withdrawal Statement (October 2025) provide sufficient certainty that development in the Horsham District Local Plan 2023-2040 will not have a likely significant effect on the Arun Valley sites in line with the Habitat Regulations. Hence there is no longer a need for a local plan policy requiring all development to achieve water neutrality, nor are any specific measures required in relation to nutrient neutrality. At a strategic level, matters relating to water supply and sewage treatment will be delivered through the Southern Water WRMP.

- 8.2 The Council is required to give considerable weight to Natural England's opinion on HRA matters. Notwithstanding the imminent licence change, it is in any case not necessary for the mechanism for solving the HRA issue to be in place and operating at the time of adoption. There simply needs to be a reasonable expectation that it will be implemented in a timely manner.
- 8.3 Notwithstanding the above, the Council is taking a precautionary approach with regards any significant impacts on the Arun Valley Sites arising from water abstraction to support new development. It is therefore monitoring the demand for water created by new development to ensure that the headroom in water demand versus supply is not exceeded, such that there is no increase in abstraction from Pulborough would be required.
- 8.4 As set out in Appendix 1, it is recognised that there are a number of clarifications that could usefully be made to the Habitat Regulations documentation. The HRA remains a live document throughout the examination and these updates (and any others identified as necessary as part of modifications to the plan) will be undertaken following completion of the examination.