Horsham District Council

Horsham District Local Plan Examination

Matters, Issues and Questions

Matter 3: Climate Change and Water

Issue 2

November 2024

Contents

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

Question 1: Is Strategic Policy 9: Water Neutrality sound?

1. The Council considers that the policy is sound. In summary:

    - **Positively prepared** – The policy is reflective of joint work across the Sussex North Water Resource Zone (SNWRZ) to allow development to be accommodated, avoiding negative impacts caused by abstraction to the Arun Valley Sites, by introducing an approach that ensures that development is water neutral.
    - **Justified** – An extensive evidence base has been produced due to respond to the **Natural England Position Statement (CC08)**. This includes a set of documents that comprise the **Water Neutrality Study (CC09 - CC12)**, which recommended the approach taken by this policy. Notably, this approach has been endorsed by Natural England (see **CC13**) and agreed with a range of partners, as evidenced in the **Water Neutrality Statement of Common Ground (DC08)**.
    - **Effective** – The Council and its partners believe that the approach ensures that new development would not contribute to further harm to the Arun Valley Sites and is therefore effective both in itself and in combination with near identical policies in other Local Plans, including the adopted Crawley Borough Local Plan.
    - **Consistent with national policy** – the purpose of the policy is to comply with environmental objectives in NPPF (September 2023) paragraphs 8 and 174. In addition, the policy approach enables development to come forward despite the constraint – without it, delivery of development would be on a smaller scale, which would not accord with the intent of national policy.

2. Further information is provided in response to the sub-questions below and is also contained in the **Water Neutrality Joint Topic Paper (CC14)** and its **Update (CC15)**.

a) Is the geographical application of this policy accurately identified on the submission Policies Map?

3. The policy applies to the entirety of the SNWRZ, the boundaries of which were agreed by Ofwat, Defra, Natural England and Southern Water, and shared with the affected local authorities. Though this covers parts of neighbouring authorities, with the exception of a few very small areas on the northern boundary, the whole of Horsham District lies within SNWRZ. This is shown in the **Water Neutrality – Water Resources Zones Map (SD02).**

4. The extent of the SNWRZ is not in the control of the Council. For instance, a part of Crawley Borough was rezoned into another water resource zone supplied by a different water company during the preparation of the Plan. As the SNWRZ could be subject to change and covers multiple administrative areas, the map of the SNWRZ is located on West Sussex County Council's website[1]. As identified in **paragraph 3.3** of the **Water Neutrality Statement of Common Ground (DC08)**, should there be changes to the SNWRZ, the partner authorities will collectively update the map should it be necessary.

5. Notwithstanding the above, a part of the SNWRZ in the Bramber/Upper Beeding area is usually supplied from water from another water source. This relates to **clause 5** of the policy. Because of this, it is not an appropriate location for offsetting (unless development is also proposed in this area). A modification has been introduced to the Policies Map to make clear the precise boundaries of this area (**POM1** in the **Suggested Modifications to the Regulation 19 Local Plan: Response to MIQs November 2024**).

[1] https://www.westsussex.gov.uk/planning/water-neutrality/

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

6. The **Natural England Position Statement (CC08)** explains that it *"cannot be concluded that the existing abstraction within the Sussex North Water Supply Zone is not having an impact on the Arun Valley site"* and continues by explaining that *"developments with Sussex North must therefore must not add to this impact and one way of achieving this is to demonstrate water neutrality."* As is outlined in the Position Statement, to achieve water neutrality development should minimise its water use and then offset any residual water used.

7. The basis for 85 litres per person per day (l/p/d) water efficiency standard for residential development is set out in **Parts B and C of the Water Neutrality Study (CC10-CC11)**. Part B explored a range of different water efficiency standards to be applied within the SNWRZ. This consisted of the Building Regulations default standard (125 l/p/d), the optional Building Regulations standard (110 l/p/d), the 'Target 100' standard (100 l/p/d), the 'realistic achievable' standard (85 l/p/d) and the 'ambitious' standard (62 l/p/d).

8. The study considered that the 125 l/p/d was not appropriate given that water efficiency requirements in existing Plans were already more stringent (as the District is already an area experiencing 'water stress') and that the 100 l/p/d was not found to require significant improvements above the existing standards. The option of 62 l/p/d was considered too stringent to be realistic, as it would require extensive use of rainwater harvesting and greywater recycling (which may not always be technically possible and/or may be prohibitive in terms of viability), as well as some smart devices. Therefore, as is explained in **paragraphs 3.27-3.33** of the **Water Neutrality Joint Topic Paper (CC14)**, the Part C document considered in more detail whether the Councils should apply either the water efficiency standards of 85 l/p/d or 110 l/p/d.

9. The Part C document calculated that if the 110 l/p/d option was required, 74% of the water generated by new development would be offset by measures proposed by Southern Water in their emerging Water Resources Management Plan (WRMP) and thus 26% of the water used by new development would have to be met by additional offsetting. It explained that should the 85 l/p/d standard be used, around 88% of the water generated by new development would be offset by Southern Water's contributions, leaving 12% to be met by additional offsetting. In conclusion, it recommended the 85 l/p/d standard, noting that it would lessen the need to provide offsetting, the capacity of which is not unlimited, which could take time to be brought forward and thus may prevent development being delivered. Natural England endorsed the recommendations of Part C (see **CC13**).

10. Both options were both subject to appraisal (see **Chapter 6** of the **Sustainability Appraisal Update (SD03a)**) with it being concluded that *"the preferred alternative is the more socially beneficial alternative, as it allows a greater number of homes to be built. It is economically viable for developers and future house buyers and would require less expensive offsetting. It would have no significant negative impacts on the sustainability objectives. It is also supported by the HRA, which notes that the water efficiency measures outlined in the policy would make it more feasible for Southern Water to reduce reliance on the Hardham groundwater abstraction during periods of high demand and/or low flow and thus protect the SAC and Ramsar sites"* (**Paragraph 6.37**).

11. The policy requirement will be effective in combination with offsetting (see **d)** below). This is as it ensures that development will be water neutral, enabling planned development to come forward, while the **Natural England Position Statement (CC08)** is in operation. Further, this approach has been agreed (see **Water Neutrality Statement of Common Ground (DC08)**) with partner authorities who have adopted (in the case of Crawley Borough Council), or are seeking to introduce, the same policy within their respective Plans. It is noted that **paragraphs 238 – 242** of **Crawley Borough Local Plan 2023-2040 Inspectors' Report (HDC07)** found the approach to be sound.

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

12. The Council believes that the policy with respect to non-domestic buildings is clear. In simple terms, the approach for non-domestic buildings is the same as for residential buildings – to firstly minimise water use in new development and offset any residual water that would be used.

13. The **Water Neutrality Study: Part C (CC11)** recommended an approach linked to the Wat 01 Water Consumption category as set in the BREEAM UK New Construction: Non-domestic Buildings Technical Manual 2018[2] (hereafter BREEAM Technical Manual). The standard recommended is equivalent to achieving at least a 40% reduction in water use compared to baseline standards by achieving a minimum of score of three credits. This has been carried forward into the policy as criterion 1c.

14. The BREEAM Technical Manual sets out that credits can be achieved by one of the following two methods:

    - Standard Wat 01 method: which is used for common building types and assessed through the standard calculator tool available to accredited BREEAM assessors that takes into the account specifications of different components that utilise water and their usage patterns to calculate water use in a development and thus its water efficiency performance.
    - Alternative Wat 01 method: which is used for building types where data usage is not available and is linked to expected consumption performance of individual elements as set out in the BREEAM Technical Manual. This can be used by accredited BREEAM assessors to calculate the development's water efficiency using the 'Other building type calculator' worksheet of the BREEAM Wat01 calculator tool.

15. The policy expectation is that this information will be presented in a Water Neutrality Statement that is to accompany any application. This expectation is clearly expressed in policy criterion 2b. This is the same approach as is set out in the now adopted Crawley Borough Local Plan.

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?

16. As has been identified in the response to previous sub-questions, the approach is based on an extensive evidence base. As was indicated in the **Natural England Position Statement (CC08)**, achieving water neutrality will require water to be minimised and any remaining water used by development to be offset.

17. **Part C of the Water Neutrality Study (CC11)** recognises that measures Southern Water will implement in its Water Resource Management Plan will reduce water consumption within the SNWRZ. However, even in conjunction with the water efficiency standards proposed in the policy (see sub questions **b** and **c**), Part C recognises that Southern Water's measures would only offset around 88% of the required water needed to serve planned development within the SNWRZ and would thus be insufficient to deliver a water neutral plan. Accordingly, it recommended that the authorities introduce an offsetting scheme and **Chapter 7** highlights the broad principles that have subsequently been followed when developing SNOWS. Taken together, it concluded that the water efficiency requirements and offsetting (both Southern Water's contribution and offsetting scheme) would ensure that water neutrality would be achieved across the SNWRZ and thus, providing the Council confidence that the approach will be effective.

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2 https://files.bregroup.com/breeam/technicalmanuals/NC2018/content/resources/output/10_pdf/a4_pdf/print/nc_uk_a4_print_mono/nc_uk_a4_print_mono.pdf (pages 202-211)

18. Further progress has been made on the development of SNOWS since the **SNOWS Project Review (CC16)** produced in May 2024. To demonstrate the progress made since May, we have submitted an updated **SNOWS Project Review (HDC17)** dated November 2024. For convenience, we have highlighted the key areas of progress in paragraphs 19 to **Error! Reference source not found.** below.

19. On SNOWS procurement activities, the scheme's Procurement Plan was internally published in June 2024. Project support services – legal and consultancy – have also been procured since the plan was published. Our next step, once offsetting properties are secured (see para 22 below) the next step is to procure suppliers to install water offsetting measures into secured offsetting properties.

20. On Monitoring & Reporting (M&R) activities, several monitoring registers and logs have been internally published between May and November 2024. A draft M&R Plan is due to be sent to Natural England, Defra and Southern Water later in November, with the aim to internally publish in early December. The SNOWS Offsetting Capacity Tool, which will monitor new supplies added, demand on the scheme and SNOWS Water Credit availability, is now finalised and is in the process of being externally quality assured, prior to internal publication in early December. The only other M&R deliverable to be produced is template SNOWS governance update reports, which will be produced early in 2025.

21. The draft SNOWS Costs Calculations that were available in May 2024 have been updated and transformed into the SNOWS Financial Forecast Tool, setting out various scenarios of scheme operating costs, offsetting costs, and developer credit costs. The first draft of the Cost and Funding Plan is due to be circulated to the internal project team for consultation later in November. Final costs will need to be updated following completion of an external assessment of Southern Water's draft Water Resources Management Plan data (albeit that this figure will be subject to some variation until the point that the WRMP is finalised).

22. In terms of securing SNOWS offsetting properties, we recruited a Water Neutrality Officer to the project in September 2024, who is leading on our engagement activities with potential offsetting property providers. The officer has already identified several interested parties, with many open to providing properties for SNOWS to build up its own offsetting capacity. Discussions are ongoing to secure these suppliers.

23. As pointed out in paragraphs 9 and 17 above, a substantial proportion of SNOWS' offsetting capacity is to be provided by Southern Water through their emerging Water Resources Management Plan (WRMP), which is due to be published in mid-2025. Southern Water's draft WRMP is currently out for consultation until 4 December 2024. We are now actively working with Southern Water to assess their WRMP data, which will allow us to establish what Southern Water's 'baseline' provision will be, and from this determine more exact levels of the additional offsetting capacity SNOWS will need to provide, and finalise the scheme operating costs, which will in turn determine the cost of water credits for developers.

24. Our most recent schedule update indicates that we may be in a position to formally launch SNOWS in February 2025. However, given that Southern Water's WRMP is not due to be published until mid-2025 and SNOWS does not currently have an offsetting programme of its own, there will be limited water credits available to be issued through 2025 and we may not be able to issue credits to developers at least until Southern Water's WRMP is published.

25. We are of the view that SNOWS will be effective once it is operational. As the details of every planning application in the SNWRZ that needs to demonstrate water neutrality will be recorded centrally by SNOWS, we will be able to ensure that water savings generated by Southern Water in their next Water Resources Management Plan are not being over-allocated and that the local authorities' local plans be water neutral.

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?

26. Yes, water neutrality has been adequately assessed as part of the viability evidence. The **Horsham Local Plan Viability Assessment (H12)** sets out details of the policy costs of water neutrality associated with the policy in **Table 4-1**. This states that a cost of £2,000 per dwelling has been used as the input to the viability work. This is based on a policy that requires residential development to achieve a water efficiency of 85 l/p/d an relies upon figures within the **Part C** (**CC11)** work. An allowance is included for new build fit-out; offsetting via retrofitting; funding for administration of the offsetting programme; and a contingency element. It is noted that the same cost assumptions were used for the same policy approach as set out in the recently adopted Crawley Borough Local Plan.

27. In relation to flexibility, it is recognised that it is possible that during the plan period the requirement of water neutrality may no longer be required. Clause 7 of the policy relates to this and explains that in such circumstances, the Council will apply the optional water efficiency requirement as identified in the Building Regulations given that Horsham District is located within an area of serious water stress – which is the standard identified in Policy 37: Sustainable Construction in the existing Horsham District Planning Framework 2015.

Question 2: Is Strategic Policy 10: Flooding sound?

28. The Council considers that the policy is sound and this is summarised below.

29. The approach balances the need for development to come forward throughout the district, without increasing flood risk. In addition, the policy sets out a positive approach which is supportive of development proposals that avoid areas of flood risk, ensures that proposals should have full regard to flooding from all sources and sets out a clear position of when SuDS should be incorporated in new development. As such, the Council is of the view that it is **positively prepared** and will help to ensure that development is sustainable in spite of the flooding constraint.

30. The policy approach is **justified** by an extensive evidence base. There are three main river catchments in Horsham District, the Rivers Arun, Adur and Mole. The catchments for the rivers overlap with other local authorities and thus the evidence is reflective of joint work with neighbouring Local Planning Authorities, as well as advice from the Environment Agency. A stand-alone **Strategic Flood Risk Assessment (CC03)** for the Adur and Arun River catchments was published in January 2020. It was informed by information in other relevant SFRA's in different parts of these river catchments. Together with Crawley Borough Council, Mid Sussex District Council and Reigate and Banstead District Council, HDC jointly commissioned **a Gatwick Sub-Region Water Cycle Study (CC05)** published in August 2020**.** Alongside Crawley Borough Council, the Council commissioned an **Upper Mole Valley Strategic Flood Risk Assessment (CC06)** in September 2020. Subsequent changes in national planning policy, which included the risk of flooding from all sources, updated guidance on climate change allowances, and improvements in available flood mapping and modelling datasets, led the council to commission further updates to inform policy development the **Strategic Flood Risk Assessment Update (CC04)** and the **Upper Mole Valley Strategic Flood Risk Assessment Update (CC07).**

31. The recommendations from the studies have informed policy development, building upon the existing **Horsham District Planning Framework (HDPF) (HDC05) Policy 38: Flooding** and updating the approach to reflect changes to national policy and datasets as described above. Additional criteria can be found in **Clause 2** - **a)** of the policy to consider flood risk at an early stage, **d)** allow for climate change, **e)** preserve flood storage capacity, **i)** provide for surface water drainage **l)** maintain flood water assets. In addition, wording in **Clause 3** has been included to consider amenity and green infrastructure. By setting a clear approach, based on an up-to-date understanding of flood risk in the district, that both directs development away from areas of flood risk and ensures that development will be not increase flood risk, the Council is of the view that the policy will be **effective**.

32. Notwithstanding the above, to increase the effectiveness and clarity of the policy by ensuring that regard is had to the most up to date understanding of flood risk in the district, a further modification **(SM14)** has been proposed to the policy in **Suggested Modifications to the Regulation 19 Local Plan: Response to MIQs November 2024** so that reference is made to all SFRAs covering the district, as well as any updates in **2g**. This would replace a previous modification **(HM016)**. A modification is also suggested to **2i** (**SM15**) to make clear that development should not drain surface water to a foul sewer, in order to reduce risk of sewage overflow.

33. The Council is of the view that the policy is fully **consistent with national policy** as it complies with **NPPF paragraphs 159-169.** For instance, **paragraph 161b** seeks no net loss of flood storage and this has been carried into **2e** of the policy and **paragraph 161c** advises that opportunities for natural flood management is taken, which is reflected in **clause 3** of the policy. For emphasis and further consistency with **NPPF paragraph 160** a suggested modification in **Suggested Modifications to the Regulation 19 Local Plan: Response to MIQs November 2024** (**SM13)** ensures that regard should be had to all sources of flooding. This would replace a previous modification **(HM016).**

a) Is the policy effective in terms of having regard to cumulative impacts?

34. **Clause 1** makes clear that development proposals should not increase the risk of flooding elsewhere. However, to reflect representations made about the potential for cumulative impacts on flooding and the need to take account of surface water flooding, an additional modification (**SM16**) has been proposed in **Suggested Modifications to the Regulation 19 Local Plan: Response to MIQs November 2024** to **paragraph 2.m)** which explicitly states that cumulative impacts must be taken into account.

b) Should it reference green and blue infrastructure?

35. In the supporting text **paragraph 6.33** to **Strategic Policy 17: Green Infrastructure and Biodiversity** and in the **Glossary,** it is made clear that “Green Infrastructure” is a term used to describe a multi-functional and connected network of green spaces, that includes water and other natural features. However, in recognition that not all users of the local plan will be technical experts in areas such as flooding and green infrastructure, it was considered that it would be beneficial for absolute clarity, to make reference to ‘blue’ infrastructure, and this is suggested as a modification in For emphasis and further consistency with **NPPF paragraph 160** a suggested modification in **Suggested Modifications to the Regulation 19 Local Plan: Response to MIQs November 2024** (**SM17).** This supersedes a previous modification **(HM016).**