



Report to the Partnership for Urban South Hampshire Overview and Scrutiny Committee

Date: **27 June 2018**

Report of: **David Bibby, Principal Planning Officer (Strategy),
Test Valley Borough Council**

Subject: **South Hampshire Integrated Water Management Study**

SUMMARY

The updated Integrated Water Management Study has now been completed and the final version incorporates amendments to address the previous outstanding issues raised by Natural England and the Environment Agency. It provides a framework to guide future Local Plans, although there remain uncertainties regarding the potential need for further mitigation of the impact of development after 2020 on water quality, water resources and to satisfy the Habitats Regulations. Therefore there is a need for a commitment to continued collective joint action to work to resolve these issues going forward and to implement the study's action plan.

Annex B and E to the attached Appendix 1 are confidential and are to be treated separately and for the purpose of this meeting are available on request as hard copies at the meeting.

RECOMMENDATIONS

It is RECOMMENDED that the Overview and Scrutiny Committee:

1. NOTES the Integrated Water Management Study as part of the collective evidence base to inform future Local Plans and deliver the development proposed in the PUSH Spatial Position Statement;
2. NOTES that there remain uncertainties to be resolved concerning the potential need for mitigation of the impacts of development post 2020 on water quality, water resources and in order to satisfy the Habitats Regulations;

3. NOTES that PUSH will work together to address the uncertainties, and that a Water Quality Working Group comprising all PUSH local authorities, together with key stakeholders: Natural England, the Environment Agency, Southern Water and Portsmouth Water, be established to take forward the Action Plan set out within the Integrated Water Management Study; and
4. NOTES that a joint Position Statement be prepared and agreed between PUSH, Natural England and the Environment Agency setting out the commitment to collective joint action to resolve the uncertainties and to inform the work of the Water Quality Working Group.

INTRODUCTION

1. PUSH commissioned an update of the 2008 study to provide an evidence base to assess the capacity for new development to inform the review of Local Plans across the PUSH area. The purpose was to assess the potential impact of future development on the water environment (both water quality and water resources) and ensure compliance with the requirement of the Habitats Regulations which apply to the European nature conservation designations of water bodies in and around the Solent. The aim was to ensure that the level of development identified in the Position Statement could be accommodated without adverse impact on the water environment and European sites, including the need to mitigate any impact from development.
2. An earlier version of this report was previously considered by the Joint Committee on 28 March 2018 (Item 10), at which it was agreed that more evidence to support the actions (in the action plan) was required for a decision to be made. It was therefore deferred to this meeting. This report seeks to address the matters raised and provide additional evidence and justification to support the recommendations. The redacted report is attached as appendix 1.

BACKGROUND

3. A presentation on the findings of the previous final draft version of the study was made to the Joint Committee on 16 October 2017. At that time there remained outstanding issues which had been raised by Natural England (NE) and the Environment Agency (EA) as key stakeholders with legal duties with regard to water quality and water resources. Following a joint workshop between NE and EA and subsequent in depth discussions between the NE and EA and the consultants, these have now been resolved and amendments accordingly made and incorporated into the final version.
4. It was crucial that the concerns of NE and EA were satisfactorily addressed in order for the study to provide a sound evidence base for future Local Plans and for the delivery of the development proposed in the PUSH Spatial Position Statement.
5. However, at this stage it is not possible to assess the impact of development on the water course and water quality after 2020. There needs to be continued assessment of the impact of development and for this reason it is necessary to include an action plan on how the relevant parties will work together going forward to continue to monitor the situation and agree how to mitigate the impact of development across the

area.. This is a collective responsibility shared by all PUSH local authorities, including most significantly as the plan making and competent authorities, with the duty for ensuring compliance with the Habitats Regulations. Working together to implement the action plan is the most efficient and effective method of enabling this to be successfully achieved.

FINDINGS OF THE STUDY

6. The final version of the study incorporates amendments which have resulted in it being edited and slimmed down in order to reduce some of the previous detail and achieve a high level document. This focuses on an action plan identifying the infrastructure that needs to be upgraded as mitigation in the short term and sets out steps towards an interim position to 2020. It therefore takes the form of a summary report with a master table of actions.
7. At present, whilst there is sufficient capacity to accommodate development in the short term, we are not yet in a position to be able to demonstrate with certainty beyond 2020 that there will be no adverse impact on European nature conservation designations. PUSH therefore needs to acknowledge that it is not possible to assess the impact of development post 2020 at this stage and that collectively there is a responsibility to work together to continue to assess the impact of future development. We don't currently have the necessary data to give answers, but a commitment is sought to addressing these as appropriate in due course.
8. In the short term this has implications for the location of new development, such that it is directed to those areas which have capacity. This will give confidence that there will be no adverse impact to 2020.
9. Later in the plan period of future Local Plan (beyond 2020), there may be a requirement for further mitigation and possibly for development overall to be neutral on the level of nutrients and pollutants it generates as these affect waste water discharge. This further mitigation could include the consideration of wider options (beyond 'pipe end' measures at waste water treatment works), for example offsetting of the impacts of new development and catchment wide solutions. This will also necessitate a further full review of the study.

ACTION PLAN

10. The study includes an action plan which details the ongoing future dialogue and joint working which is proposed. This sets out where there currently remain gaps in the evidence base that require further investigation, monitoring and potentially action to ensure future compliance with legislation. Catchment measures take time to result in a measurable difference to water quality. It is not yet know how effective existing measures will be, although it is hoped they will deliver improvements. However, should this not occur, then this may constrain the potential for further development without additional mitigation actions.
11. The action plan provides a short term interim position to address uncertainties over the next two years, on a collective basis, in a low cost and relatively easy and straightforward manner. In the absence of agreement to take the action plan forward, there is a significant risk to the delivery of the development identified in the Position

Statement. PUSH local authorities would also still remain responsible for addressing the uncertainties, but to do so on an individually would be much more difficult. A summary of the actions set out in the action plan are detailed below.

	Action	Suggested Timescale
1	PUSH, NE, EA continue to work together and produce a joint Position Statement	ASAP
2	Establish a Water Quality Working Group comprising PUSH LPAs, NE, EA and water companies, to meet regularly to receive and discuss emerging evidence, taking action where necessary to ensure mitigation is developed which enables both environmental protection and mitigation	Establish and meet before Q2 2018/19
3	Water Quality Working Group remit (minimum): a) Note and agree WWTW improvements and delivery timescales b) Refresh IWMS in 2020 c) Work together to scope potential future Nutrient Management Plan, taking account of timescale for preparation	ASAP 2020 As necessary, in advance of need
4	To effectively deal with remaining uncertainty around water quality, Local Plans must: a) Acknowledge uncertainty over whether housing development in later part of Local Plan period would require mitigation b) Acknowledge effective mitigation may mean development proceeding on a nutrient neutral basis in some catchments c) LPAs will work in partnership to identify timely mitigation if emerging evidence indicates it's needed d) Phase new development where necessary to ensure headroom in most sensitive WWTW is not exceeded prior to future review of IWMS and any necessary mitigation being identified and secured	ASAP and as Local Plans come forward
5	In order to deal effectively with uncertainty over water resources, Local Plans within Southern Water's supply area must: a) Acknowledge uncertainty over delivery of water resources of Local Plan period (given Water Resources Management Plans are not finalised and outstanding appeals on changes to abstraction licences) b) Include a policy requiring development to be built to higher standard under Building Regulations (110l/p/d including external water use)	ASAP and as Local Plans come forward

12. It is important that a joint Position Statement setting out an interim position to 2020 is agreed between PUSH, NE and the EA, to allow PUSH local authorities to move forward with their Local Plans without the risk of objections being raised on grounds of the water environment and Habitats Regulations with Local Plans potentially being found unsound at examination. This would include focusing on delivery of the study's action plan on addressing the uncertainties.

Water Quality Group (Actions 1 and 2)

13. It is proposed that a Water Quality Working Group be established which would also include Southern Water and Portsmouth Water, in order to take the action plan forward and implement it collectively, working together to find solutions and resolve the issues over the potential need for further mitigation after 2020. Locally, a similar working group covering Chichester Harbour has operated successfully in recent years and provides an example. Its terms of reference, which set out the objectives include; ensuring the proposed development does not compromise water quality standards, and that it protects and where possible enhances Chichester Harbour.

Higher standard of water efficiency (Action 5b)

14. The action plan proposed that a higher standard of water efficiency is secured within the Southern Water water supply area of 110 litres per person per day (lppd) which exceed current Building Regulations 125lppd. However, the cost of implementation of this higher standard is minimal. The cost under the equivalent former Code for Sustainable Homes Levels 3 and 4 (105lppd) is only £9 per dwelling (2015). A significant proportion of PUSH local authorities have already adopted the proposed higher standard (110lppd) through policies in their Local Plans. There is no evidence that this has adversely impacted on viability, or acted as a deterrent to delivery. The table below set out current and emerging Local Plan water efficiency requirements.

Local Authority	Policy Standard (lppd)	Local Plan Policy Status
East Hampshire	No current standard (105-110 previously)	Adopted
Eastleigh	110 (105 previously) 90 larger development	Draft
Fareham	125 (Building Regs) 110 optional	Draft
Gosport	110	Adopted
Havant	No current standard (Being considered)	Adopted
Isle of Wight	105	Adopted
New Forest	110	Draft
Portsmouth	110	Adopted
Southampton	105-110	Adopted
Test Valley	110	Adopted
Winchester	105	Adopted

15. Water efficiency standards can also help deliver objectives set out in River Basin Management Plans (RBMP). Local authorities have a duty to have regards to RBMP and should ensure that their decisions do not compromise those objectives. The relevant South East River Basin Management Plan approved by the DEFRA

Secretary of State contains an action that requires local authorities to 'seek the use of water efficiency standards that exceed Building Standards, where local evidence supports that need.'

16. Efficiency is important not only from a water resource perspective, but also because of the link with water quality and disposal of foul water. There are real benefits in keeping down the capital cost of new water supply and waste water infrastructure, maintaining ecosystems and protecting landscapes. Reducing the amount of water entering waste water treatment works is also a key way of helping to mitigate issues around the capacity of the works and the receiving environment.
17. Water use in the home also has impact on greenhouse gas emissions. Domestic water heating is responsible for 5% of UK CO₂ emissions and for 10-15% of the household energy bill. Simple demand management measures, particularly those which reduce the amount of hot water used in the home, have huge potential not only to promote water and energy efficiency, but also to reduce the carbon footprint.

Water Resources Management

18. Water supplies within the PUSH area are provided by two water companies: Southern Water and Portsmouth Water. A number of PUSH local authorities are split between the two water supply areas and served by both water companies: East Hampshire (although only the part of the district outside of PUSH is split), Fareham and Winchester. Water efficiency of 110lppd where being secured, is applied consistently to areas served by both water companies supply areas. A map showing this information is attached as appendix 2.
19. At present, looking forward there is a current deficit of water resources in the Southern Water supply area and a surplus in the Portsmouth Water supply area. This difference explains the higher water efficiency standard and universal metering within the former. However, any issues with ensuring adequate water supplies in the future should be addressed through Water Resources Management Plans (WRMP), which both companies are currently preparing. Potential future supply options are being considered together e.g. potentially the proposed Havant Thicket reservoir could provide new resources to the Portsmouth Water supply area, which would in turn free up existing resources for transfer to the Southern Water supply area.
20. Related to this process, following a recent public inquiry Southern Water has agreed revised abstraction licence limits with the EA which reduce the amount of water which can be they can take from the River Itchen and River Test. During the next ten years (until alternative water sources are in place), Southern Water will rely on drought permits or drought orders (as required), to make up any deficit in supply during a dry year. The frequency with which this is required will be reduced by having a high standard of water efficiency. Even following the introduction of new water sources, some vulnerability to prolonged dry weather will remain and therefore high standards of water efficiency need to be considered for the Southern Water water supply area. These standards should be ambitious and take us towards Southern Water's ambition ('Target 100' campaign) to achieve 100lppd by 2040.
21. Water resources are managed locally through the Catchment Abstraction Management Strategies (CAMS). These assess how much water is available in each

catchment, how much is allocated to people and how much is needed to sustain the environment. A Licensing Strategy is then derived for each catchment.

22. Phasing of development in the short term to where there is sufficient capacity, means that water supply should not be a constraint on housing delivery. In the longer term water companies will plan (through WRMP) for sufficient water source provision. It will therefore be important for PUSH local authorities to work with the water companies on developing their future Local Plans on an ongoing basis, regarding both on the scale and location of housing, and regarding the detailed master planning of individual developments.

CONCLUSION

23. The completed final version of the study addresses the previous outstanding issues raised by NE and the EA and provides a framework to guide future Local Plans and deliver the development proposed in the PUSH Spatial Position Statement. However there remain uncertainties regarding the potential need for further mitigation after 2020. The study includes an action plan on how these can be resolved.
24. There is a need for continued collective joint action to work to resolve these uncertainties going forward and to have an agreed 'interim position' in order to avoid the risk of future Local Plans being found unsound. This agreed intent should be set out in a joint Position Statement between PUSH, NE and the EA and a Water Quality Working Group should also be established, to include in its membership all PUSH local authorities together with Southern Water and Portsmouth Water, which would take the study's action plan forward.

RECOMMENDATIONS

It is RECOMMENDED that the Overview and Scrutiny Committee:

1. NOTES the Integrated Water Management Study as part of the collective evidence base to inform future Local Plans and deliver the development proposed in the PUSH Spatial Position Statement;
2. NOTES that there remain uncertainties to be resolved concerning the potential need for mitigation of the impacts of development post 2020 on water quality, water resources and in order to satisfy the Habitats Regulations;
3. NOTES that PUSH will work together to address the uncertainties, and that a Water Quality Working Group comprising all PUSH local authorities, together with key stakeholders: Natural England, the Environment Agency, Southern Water and Portsmouth Water, be established to take forward the Action Plan set out within the Integrated Water Management Study; and
4. NOTES that a joint Position Statement be prepared and agreed between PUSH, Natural England and the Environment Agency setting out the commitment to collective joint action to resolve the uncertainties and to inform the work of the Water Quality Working Group.

Background Papers:

- Item 10: Integrated Water Management Study, 28 March 2018 Joint Committee

Reference Papers:

- **APPENDIX 1 - Integrated Water Management Study, Amec Foster Wheeler, 2018 (Information within both Annex B and Annex E to the study are by law deemed confidential by the Government and will be available to members, on request, at this meeting and they will need to be handed back at the end of the item's consideration)**
- **APPENDIX 2 - Water Boundary Map**

Enquiries:

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