

County Council – 27 May 2022

Item 8(a) – Notice of Motion by Cllr Burrett

Water Neutrality – Briefing Note

Introduction

Surveys have observed a severe decline in wildlife within internationally protected sites in the Arun Valley, an area of West Sussex with significant natural capital and an area of water stress.

In September 2021, Natural England issued a Position Statement that affects all planning applications that increase mains water usage within the Sussex North Water Supply Zone (which covers all of Horsham District and parts of Crawley Borough, Chichester District, Arun District and Mid Sussex District). It states that Natural England cannot conclude that water abstraction is not adversely affecting the integrity of the Arun Valley Special Area of Conservation, Arun Valley Special Protection Area, and Arun Valley Ramsar site.

Position Statement

The Position Statement means planning applications cannot be determined unless developers are able to demonstrate 'water neutrality'. Therefore, any planning application within the Zone is effectively 'on hold' if there is the likelihood that water consumption will increase and applications should not be permitted until it has been demonstrated that they are 'water neutral'.

This has meant that planning applications for c.2,300 new homes and c.100,000sqm of business floorspace have been placed on hold, as well as applications for other development, including minerals, waste and County Council infrastructure (for schools, fire and rescue, and libraries). Local Plans must also be water neutral, which has delayed their preparation and brings the number of new homes impacted up to c.24,000.

Water neutrality is achieved when water use in the supply area before the development is the same or lower after the development is occupied. The onus is on developers to demonstrate deliverable water neutrality for their proposals. This can be achieved by developer incorporating significant water efficiency measures into their developments and/or by providing offsetting measures to reduce water consumption from existing development.

If water neutrality cannot be demonstrated, applications must be refused as a point of law.

Partnership Working

The Local Planning Authorities (LPAs) in the affected area, including West Sussex County Council, have responded by forming a dedicated partnership on water neutrality. They are developing a mitigation strategy to set out how water neutrality will be achieved, through evidence work on the Local Plans. They have progressed a Water Cycle Study, publishing Part As and B, with work on Part C underway. Frequently Asked Questions and additional guidance for developers is available on the County Council's [website](#).

Nonetheless, there has been a very significant impact on the ability of the affected LPAs to determine planning applications, to progress Local Plans (to steer future development and investment) and to manage the additional workload.

Planning officers are working with the other organisations and agencies, including Natural England (NE), Southern Water (SW), and the Environment Agency (EA), to identify solutions for water neutrality in the short, medium and long term. This also includes dealing with detailed questions on planning matters and Habitat Regulation requirements. Governance arrangements have been agreed for partnership working across the affected area, involving all affected authorities, EA, NE and SW. Officers from government departments (Department for Environment, Food and Rural Affairs and Department for Levelling Up, Housing and Communities) have also attended meetings.

Updates and progress on projects by SW e.g. to increase water supply and reduce leakage are being requested through various forums, such as the Chief Executives meetings, as well as the Water Cycle study work.

The joint authorities collectively require additional staffing resource and expertise to co-ordinate all the various workstreams, particularly to help set up and implement offsetting and or other solutions to reach water neutrality. A joint bid for £100,000 of funding from the Coast to Capital Local Economic Partnership was submitted and awarded. An advert for a project manager for the partnership is soon to be advertised.

Approaches to Government

This area is the first in the UK to have the requirement of water neutrality imposed upon it. The affected LPAs have recognised that there is no precedent and, as such, an innovative and iterative approach is being developed. Advice and support from government departments has been requested in order to create future work practices, provide formal support and advice (where required) against national policy and guidance to enable local plans and development management decisions to be made (while ensuring the correct legal precedents are set).

The Leaders of the affected LPAs in West Sussex also wrote to the Secretary of State for Housing, Communities and Local Government in January and May 2022 requesting government support these workstreams and to ensure that the appropriate agencies are engaged and remain committed to finding a way forward. To date only an acknowledgment has been received in May to the January letter.

This request for funding is in addition to the funding that was awarded in March 2022 for work on 'nutrient neutrality', which is an issue affecting planning decisions in Chichester District. Although water neutrality and nutrient neutrality have some similarities, they have very different impacts and solutions and, therefore, they must be considered separately by the Government.

The LPAs impacted by water neutrality have also approached the Government for flexibility on land supply and housing delivery targets. Concern has also been expressed about the impact of water neutrality on the delivery of the infrastructure that is required to support the delivery of new homes.

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