



Secretary of State for Environment, Food and Rural Affairs
FAO Mr Davide Minotti, Deputy Director of Water Services
Department for Environment, Food and Rural Affairs
Nobel House
17 Smith Square
London
SW1P 3JR

12 May 2022

Dear Mr Minotti,

Hampshire Water Transfer and Water Recycling Project

Section 35 Planning Act 2008 Direction Request – Provision of further information

I refer to the letter from your colleague, Oscar Watkins, dated 29 April 2022, requesting additional information to inform the Secretary of State’s consideration of our request for a s35 Direction for this project. We welcome the opportunity to expand on our request, in response to the important issues raised in the letter, and I have pleasure in providing that information below.


1. Please provide further information on the contribution of the Hampshire Water Transfer and Water Recycling Project to home building in Southern Water’s Western area of supply.

The Challenge

Southern Water has submitted a request for a s35 Direction for its *Hampshire Water Transfer and Water Recycling Project* (“the Project”) in order to progress the consenting of the Project through the Development Consent Order (“DCO”) consenting regime. This is in recognition of the significant benefits that the DCO regime can bring in facilitating the Project’s efficient delivery and the national significance of the Project in providing crucial drought resilience to Southern Water’s Western Area of supply¹, protecting internationally and nationally recognised habitats and landscapes, and enabling projected housing delivery across a large geographic region.

The need for secure and resilient water supplies, and the protection of sensitive habitats linked to existing natural water sources, will only increase in response to climate change and population growth, including the development pressures from a growing population.

¹ The Western Area consists of seven Water Resource Zones which are: the Isle of Wight; Hampshire Kingsclere; Hampshire Andover; Hampshire Southampton West; Hampshire Southampton East; Hampshire Winchester and Hampshire Rural.



The *Levelling Up the United Kingdom White Paper*² recognises that the delivery of housing in the South East remains a priority for the Government and that this will help support economic development in the region.

The National Infrastructure Commission (“NIC”), however, in its ‘*Preparing for a Drier Future*’ publication in April 2018³, highlights that the water supply system is already strained and that the pressure from climate change, an increasing population, and the need to protect the environment, will only rise over coming decades. The report identifies a need nationally for at least an additional 4,000Ml/d⁴ of demand management and new water resource development by 2050 and calls upon the Government to increase drought resilience and enhance the capacity of the water supply system.

Southern Water is planning for both drought resilience and the delivery of new housing. The Project will both deliver a secure and resilient water supply, and support the delivery of up to 87,000 new households by 2045, in Southern Water’s Western Area.

WRMP 2019 & WRMP 2024 - anticipating significant housing growth

Through its Water Resources Management Plan (“WRMP”), Southern Water is required to plan for how it will manage and develop water resources by ensuring that there is a sufficient supply of water to meet the anticipated demands of its customers (which include demands arising through additional housing growth) over a minimum 25-year planning period, including under conditions where water supplies are stressed (i.e. drought conditions).

Both the *Interim Water Resources Planning Guideline 2018* underpinning WRMP 2019, and the *Water Resources Planning Guideline 2021* on which Southern Water’s draft WRMP 2024 is based, set out the need for water companies to prepare their WRMPs based on forecast population and property figures in relevant local plans so that the resulting water supply does not constrain growth planned by local councils.⁵

The Environment Agency’s 2020 National Framework policy also recognises that “*Water companies plan to meet demand based on growth projections set out in local authority plans. This is to make sure there is sufficient water available to accommodate local housing and population growth.*”⁶

The recent *Government expectations for water resources planning* document, published alongside the 2022 WRMP Direction, emphasises that “*secure water supplies are required for long term growth*”. The document states that the Government expects water companies to ensure that their WRMPs “*align with growth predicted by local authorities and growth that is anticipated in the long-term*”. Critically, it makes clear that “*access to water supplies must not be a barrier to sustainable growth*”.⁷

Both Southern Water’s WRMP 2019, and the growth assumptions underlying its emerging WRMP 2024, are based on the housing projections provided by the local authorities. The Western Area

² *Levelling Up the United Kingdom*, February 2022.


³ National Infrastructure Commission’s *Preparing for a drier future: England’s water infrastructure needs*, April 2018

⁴ Ml/d means million litres per day.

⁵ See section 5.3 of Defra’s *Water Resource Planning Guideline- Interim Update*, July 2018 and section 6.3 of Defra’s *Water Resources Planning Guideline – Version 9*, February 2021.

⁶ See section 5.3 of the Environment Agency’s *Meeting our future water needs: a national framework for water resources*, March 2020.

⁷ See section 6 of Defra’s *Government expectations for water resources planning*, May 2022.



relates to parts of eight local authority areas, with each local authority responsible for identifying its individual housing land needs.

In WRMP 2019 population growth in the Western Area is projected to increase by 16% by 2045 from a 2020 baseline, with a corresponding 23% increase in households. For those parts of the local authority areas supplied by Southern Water⁸, WRMP 2019 estimates this at almost 87,000 additional households being connected to its Western Area water supply by 2045.

Southern Water's emerging WRMP 2024, and also the draft Regional Plan being prepared by Water Resources South East ("WRSE"), forecast a marginally lower population growth for the Western Area of approximately 15% between 2020 and 2045, equating to almost 81,000 new households by 2045, although this forecast could change as the evidence underpinning these plans is developed.

Therefore, both WRMP 2019 and the emerging WRMP 2024 forecast significant levels of housing growth, and additional households requiring new supply connections in the Western Area, by 2045.

As a consequence of the licence changes already implemented on the rivers Test and Itchen in Hampshire, together with other forthcoming abstraction reductions to benefit the environment, there are insufficient water sources and supplies available to Southern Water in drought conditions to meet both the needs of existing customers and those arising from the significant forecast growth in the Western Area. WRMP 2019 has identified an imminent supply demand deficit of around 192MI/d that will be needed to meet the necessary level of drought resilience and ensure a secure water supply to a growing population. WRMP 2024, in planning to achieve 1:500 year drought resilience by 2050, could significantly worsen this position in terms of the predicted supply demand deficit.

Meeting the needs of a growing population and therefore a growing supply demand deficit

The Project is the single largest element of new water resource development intended to make up Southern Water's supply demand balance in the Western Area, contributing a significant 90MI/d (approximately 47%) to the overall supply demand deficit of 192MI/d outlined above. It is therefore an essential part of the water resources strategy to meet forecast future demand within the Western Area arising from the delivery of new housing within the relevant local authority areas.

The legal agreement between Southern Water and the Environment Agency under s.20 of the Water Resources Act 1991 requires Southern Water to use "all best endeavours" to secure the timely delivery of planned new long-term water resources infrastructure, which is necessary to minimise impacts on nationally and internationally designated sites along the rivers Test and Itchen. Any delay to the delivery of the Project would not only place a significant additional pressure on an already highly water stressed area but also threaten securing a resilient water supply for both the existing population and future growth.

Delivering the Project within an acceptable timescale is therefore crucial to ensuring that the availability of sufficient water resources does not become an impediment to planned housing growth and would fulfil an important role in supporting the Government's priority to promote housing delivery across the UK.

⁸ Figures taken from Annex 2: Demand forecast, Southern Water's Water Resource Management Plan 2019, pp.23-25 and Table 7.

2. Please provide further detail on the spatial plans for the project, and the effect of the project on the River Itchen and South Downs National Park.

The Project is being developed through a rigorous scheme development process which is considering a range of reasonable alternatives, with the objective of identifying the preferred route and sites for the infrastructure elements. The process to date has involved the evaluation of potential corridors for the pipeline between the Budds Farm Wastewater Treatment Works and the proposed Havant Thicket Reservoir, and between Havant Thicket Reservoir and Otterbourne Water Supply Works, together with the sites for the required above ground infrastructure, including the water recycling plant. This evaluation draws upon criteria from the following policy and regulations, in particular:


- Draft National Policy Statement for Water Resources (November 2018);
- National Planning Policy Framework (2021);
- The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017;
- Water Framework Directive 2000 / 60 / EC; and
- The Conservation of Habitats and Species Regulations 2017.

The aim of the evaluation work required to inform Southern Water’s non-statutory consultation in Summer 2022 is to establish the preferred pipeline corridor taking into account all relevant policy and legislative requirements, including those set out above, as well as deliverability and the hydraulic performance of each pipeline corridor under consideration. Taking into account the need for avoidance, minimisation and mitigation of likely adverse significant effects, the evaluation assesses the performance of various combinations of corridor sections to identify a preferred corridor that can form the basis of non-statutory consultation with interested parties in Summer 2022 (see Figure 1 below).



Figure 1: Pipeline corridors considered in scheme development

All of the corridor combinations being assessed would cross the river Itchen Special Area of Conservation (“SAC”) and Site of Special Scientific Interest (“SSSI”) and some combinations may



affect land within the South Downs National Park directly, and/or its setting. The current emerging preferred route corridor is the southernmost section of corridor shown in Figure 1. More detailed and refined spatial plans of these corridors are being prepared as part of the upcoming consultation.

The evaluation demonstrates that the emerging preferred corridor would result in fewer impacts to the National Park and river Itchen SAC/ SSSI than other potential corridors, and would perform better in terms of delivery risk and hydraulic performance. Measures to minimise or mitigate significant impacts, for example through careful route selection, trenchless construction or tunnelling, could further reduce adverse impacts, but some risk of impacts from the construction of pipeline routes is likely to remain.

A key objective of the forthcoming public consultation will be to engage and secure feedback on the scheme development process and emerging preferred corridor and sites, thus supporting the wider scheme development process of pipeline route development, route selection and finalisation of the outline scheme design. The feedback from the consultation, alongside engagement with key stakeholders, will enable Southern Water to select a preferred corridor and start to evaluate and identify a preferred pipeline route within that corridor, as well as identifying and confirming potential sites for the above ground infrastructure, as part of the next stage of scheme development. This will inform the further refinement of the spatial plans for the Project.

The emerging findings set out above, which are in the process of being developed and prepared in readiness for consultation, sit within the context of the overarching Project objective to mitigate the impact of over-abstraction from the rivers Test and Itchen, thereby protecting these internationally recognised chalk streams and their sensitive habitats and ecosystems.

Conclusion

To conclude, Southern Water considers that the significance of these issues in terms of providing crucial drought resilience, enabling housing delivery across a large geographic region, and protecting nationally and internationally important landscape and habitat designations, underlines the national significance of the Project.

This in turn highlights the appropriateness of the DCO consenting process as a fundamental mechanism for delivery of the Project, not least given that the DCO process would require consideration of the Project against the Water Resources Infrastructure NPS which is expected to include when designated a policy presumption in favour of the need for a project where this has been established through the relevant WRMP.

I trust that the information provided above is helpful to your determination of our s35 Direction request. Should you require any further information, please do not hesitate to get in touch.

Yours sincerely,



Ian McAulay
Chief Executive Officer

