**Environment Agency position statement regarding risks to the water environment due to water supply pressures related to South East Water's Water Resource Zone 4-West**

## Context

- South East Water's (SEW) sub-zone Water Resource Zone 4 West (WRZ4-W) has a catchment that serves the eastern half of Basingstoke and Deane Borough Council (BDBC), the northern quarter of East Hampshire District Council and the west half of Hart District Council (HDC). It also covers very small areas of Winchester Local Planning Authority, Wokingham District Council and South Downs National Park Authority areas. We don't expect water supply constraints in WRZ4-W will have a significant impact on these latter three LPAs.

- Throughout this document reference to 'the LPAs' refers to the main affected LPAs – BDBC, HDC and EHDC.

- See Figure 1 for a map showing the LPA boundaries with the boundary for WRZ4-W and Figure 2 for the South Downs National Park Authority boundary with the boundary for WRZ4-W.

- Under the Water Environment (Water Framework Directive) Regulations 2017, there is a requirement for water bodies (which includes surface waters, groundwater bodies and associated Protected Areas such as designated sites) not to deteriorate and to achieve 'good status' by 2027. Under Regulation 33, local planning authorities as 'public bodies' and the Environment Agency as a planning advisor must have regard to these requirements as they are part of River Basin Management Plans. Protection of designated sites within River Basin Management Plans is secured not only through the Water Framework Directive but also through other key environmental legislation, most notably the Conservation of Habitats and Species Regulations 2017 (as amended), the Wildlife and Countryside Act 1981.

- Under the National Planning Policy Framework policies N1 and N6 require development plans to safeguard and enhance the natural environment and development proposals affecting habitats sites of national importance (such as a Site of Special Scientific Interest) or local importance (such as a Site of Importance for Nature Conservation) should only be supported if there would be no adverse effects or the benefits of the development in the location proposed clearly outweigh both the likely impacts.

- The Catchment Data Explorer dataset on gov.uk provides data on the status of surface and groundwater bodies.

- Water abstraction supporting supply in SEW WRZ4-West includes Greywell, Itchel and Lasham groundwater abstraction sources, amongst others.

- This position statement is intended to be a live document that will be reviewed and updated as our understanding of the issues and solutions evolves, such as

when new evidence becomes available. We will keep the affected LPAs up to date on this process. Natural England support this position statement.

**Evidence of issues relating to capacity to support growth within SEW WRZ4-West and impacts on the water environment and meeting statutory environmental objectives**

- SEW has identified a supply-demand deficit in the sub-zone WRZ4-West up to 19 Megalitres a day (Ml/d) in a dry-year scenario and 7.3 Ml/d in a normal-year scenario for at least the next five years. This is due to a number of factors that were not included in WRMP24 planning assumptions including but not limited to:
  - Delayed delivery of the Surrey Hills to Fleet pipeline (which is now part of the Western Reinforcement Scheme);
  - 2025 immediate licence reductions at source within WRZ4-West (Lasham) to protect the River Itchen SAC; and
  - Water quality issues (nitrates) limiting supply at an abstraction source (West Ham).

- The supply-demand deficit is a significant proportion of the total Distribution Input to the sub-zone (which is approximately 50 Ml/d).

- The 19 Ml/d deficit assumes the Greywell source will be closed and reductions at the Itchel source due to environmental impacts. Currently the deficit is partially being met by abstraction at Greywell and Itchel. It is important to note that:

  - The deficit is presenting supply challenges for existing development, especially in dry years. Growth in local plans and planning applications will exacerbate this.

  - Abstraction at Itchel and Greywell is contributing to water bodies failing to achieve the statutory objective of Good status and risks their deterioration. Greywell abstraction is preventing the Greywell Fen Site of Special Scientific Interest (SSSI) from achieving Favourable Status and Itchel abstraction is adversely impacting an adjacent wet woodland Site of Importance for Nature Conservation (SINC). As a result of this the EA has refused SEW's licence application for renewal at Greywell and is also considering action to reduce abstraction at Itchel. Both of these changes are accounted for in the deficit. See **Annex A** for further details about the evidence that water supply is compromising environmental objectives and causing harm.

  - SEW has appealed the EA decision to refuse the renewal of the Greywell licence. While the appeal is considered SEW can continue to abstract up to licensed rates. If successfully appealed SEW will be able to continue to abstract to rates agreed in the outcome of the appeal, otherwise abstraction will be required to cease.

- In a dry year scenario, demand is high and output constrained at various sources meaning a supply deficit of up to 19 Ml/d is possible. If SEW are able to agree the continuation of damaging abstraction at appeal, continuation of the Greywell licence would contribute 6.8 Ml/d to the dry year scenario 19 Ml/d deficit, and Itchel only 3 Ml/d. On this basis, continued abstraction at these sources at or below currently licensed rates depending on the outcome of appeal and licensing decisions will not fully meet the deficit. SEW propose that a further 4.6 Ml/d benefit could be achieved through reductions to their Levels of Service in dry-year conditions, leaving a deficit of 4.6 Ml/d currently unresolved.

- In a normal-year scenario, SEW propose being able to fully address the deficit through a combination of ongoing damaging abstraction at Greywell and Itchel, treatment improvements, Levels of Service reductions and additional demand reduction measures.

- The licence reductions at the Lasham abstraction to protect the Itchen SAC are set at a rate that has been assessed to have no adverse effect on the integrity of the River Itchen SAC. While this manages current risk to the Itchen SAC and means water supply for growth should not have an impact, it also means increases to Lasham abstraction in the future are unlikely to be possible without risking adverse impacts to the Itchen SAC. Thus, increases to the Lasham abstraction are not likely to be a viable option without compromising the requirements of the Habitats Regulations.

- SEW are currently putting in place additional water quality treatment at West Ham, and this will help to alleviate pressure on Itchel and Greywell (expected to be complete end 2026). This will only help address the deficit in normal-year scenarios (by approx. 4 Ml/d) as there are other, existing constraints in dry-year scenarios.

- Resolution of the full supply deficit under dry-year conditions is currently reliant on delivery of the Surrey Hills to Fleet pipeline. Whilst the WRMP24 delivery date for the Western Reinforcement scheme, which includes the Surrey Hills to Fleet pipeline, is 2030-31, SEW have informally indicated that is not expected to be operational until 2032 at the earliest. The prospects for delivery of the Surrey Hills to Fleet pipeline are set out in **Annex A.**

- SEW have explored other sources and options but have not yet been able to find any other supply options to supply WRZ4-W. SEW has identified demand management measures that will make a limited contribution to reducing the deficit. SEW are doing further work on this that will be published in September 2026.

- SEWs WRMP24 growth assumptions and supply-demand assessments are no longer valid and this should not be used for the purposes of planning for growth. LPAs should use new growth scenarios provided by SEW (and reviewed by the Environment Agency).

- The dry year and normal year assumptions for water supply balance for WRZ4-W are as follows:

| | **Dry year** | **Normal year** |
|---|---|---|
| **Total supply for WRZ4-W – 50 Ml/d** | | |
| Baseline deficit | 19 Ml/d | 7.3 Ml/d |
| Savings through proposed reduced level of service | 4.6 Ml/d | 1.8 Ml/d |
| West Ham nitrates issue resolved | 0 | 4 Ml/d |
| Greywell successfully appealed in full | 6.8 Ml/d | 6.8 Ml/d |
| No EA action to reduce Itchel/action successfully appealed | 3 Ml/d | 3 Ml/d |
| **Supply balance** | **-4.6 Ml/d** | **8.3 Ml/d** |

Source: SEW Options appraisal report for the Basingstoke area (July 2025) report

## Planning considerations

- Until the works to increase the sustainable supply of water to increase capacity to support growth are delivered, all development requiring new connections to mains water supply in SEW WRZ4-West will increase the reliance on abstraction from Greywell and Itchel, as well as increasing the security of supply risks to customers. It is important that LPAs account for any environmental impact this will pose for planned growth in local plans and developments proposed in planning applications in the WRZ4-W area. It is also important that LPAs account for the impact on security of water supply in their decision making. Please note that Environment Agency can advise about the risk of supply deficits but not about the impact on people, such as any amenity and public health risks. On this basis the focus of this position statement is impacts on the environment.

## Considerations for decision making on applications

- NPPF Policy N6 requires that development proposals affecting habitats sites of national importance (such as a Site of Special Scientific Interest) or local importance (such as a Site of Importance for Nature Conservation) should only be supported if there would be no adverse effects or the benefits of the development in the location proposed clearly outweigh both the likely impacts.

- Policy DM7 (1) of the National Planning Policy Framework (NPPF) states:

  *Development proposals should be assessed on the basis of whether they would be an acceptable use of land. Matters which are controlled by separate regulatory regimes may, in the context of a particular development proposal, be a material consideration where they have land-use implications. Decision-makers should assume, unless there is clear evidence to the contrary, that those separate regimes will operate effectively.*

- DM7 (1) clearly indicates that matters controlled by separate regulatory regimes (such as abstraction for water supply) may be a material consideration where

they have land use implications. This will depend on the extent to which the matters controlled by other regulatory regimes (such as the impact of water abstraction) can and will be controlled by other regulatory regimes. This is supported by Hopkins Developments Ltd v First Secretary of State [2007] Env LR 14, George Bartlett QC. If there is clear evidence the regulatory regime cannot wholly manage the risk, it is likely the matter will be a material planning consideration.

- While Water Undertakers are required to adhere to limits set in abstraction licences to protect the environment and the Environment Agency can take action to limit and close unsustainable abstractions, domestic development with planning permission has a right to connect to mains water supply.

- Planning Practice Guidance (PPG) for Water supply, wastewater and water quality states that when it comes to decision making for planning applications regarding water supply:

- *Planning for the necessary water supply would normally be addressed through authorities' strategic policies, which can be reflected in water companies' water resources management plans. Water supply is therefore unlikely to be a consideration for most planning applications. Exceptions might include:*
    - *large developments not identified in plans that are likely to require a large amount of water; and/or*
    - *significant works required to connect the water supply; and/ or*
    - *where a plan requires enhanced water efficiency in new developments as part of a strategy to manage water demand locally and help deliver new development.*

- New developments connecting to mains water supply from SEW WRZ4-West cumulatively, with planned growth, will have a greater impact than individual developments alone.

- Developments screened in for EIA are required to assess the likely effects of the development cumulatively with wider development on the water environment, as a relevant consideration under Schedule 4 of the regulations, and reflect this assessment in their Environmental Statement.

- The NPPF does not explicitly require assessment of cumulative impacts of demand for water supply on the environment when determining applications, but it does not rule this out. Where there is evidence that new (non-EIA) development in a planning application could contribute to unacceptable harm to the water environment due to demand for water supply when combined with demand for water supply with 'planned growth', it may be appropriate for a detailed assessment to be undertaken and to consider if mitigation, such as aligning occupation of development until adequate water supply capacity is provided, would be proportionate.

- Where cumulative impact of developments in applications is judged to be required, we advise the impact of the development with 'planned growth' should be assessed. **'Planned growth'** is the amount of growth planned for in local

plans for the WRZ4-W area, anticipated windfall development plus planning permissions that have not been built and/or occupied yet for the WRZ4-W area, given these developments will also add to existing baseline water supply demand. Please use this definition where 'planned growth' is used throughout this document.

- While the Environment Agency is not a statutory consultee for Environmental Impact Assessment (EIA) 'Screening', the information in this position statement can be used to consider if developments falling under The Town and Country Planning (Environmental Impact Assessment) Regulations 2017 should be screened in and assessed under the EIA process due to the likely effects of the development cumulatively with wider development on the water environment, as a relevant consideration under Schedule 3 of the regulations.

**Considerations for plan making**

- Cumulative impact assessment is required as part of the plan making process to ensure that there is sufficient water supply capacity for all future developments in the plan. It will also be required for the Strategic Environmental Assessment of the plan, as per paragraph 9 of PPG Water supply, wastewater and water quality. This cumulative assessment can be undertaken as part of a Water Cycle Study prepared as part of the local plan evidence base.

- NPPF Policy N1 states development plans should safeguard and enhance the natural environment and Policy W1 states the development plan should be informed by a clear understanding of water supply requirements and need for additional infrastructure provision, considering the impacts of planned growth.

- Planning Practice Guidance for Water supply, wastewater and water quality states that plan-making may need to consider '*phasing new development so that water infrastructure will be in place when and where needed. The impact on designated sites of importance for biodiversity should be considered to ensure the required infrastructure is in place before any environmental effects occur'.*

- BDBC undertook the Regulation 18 consultation in winter 2025/26.

- East Hampshire District Council made a decision in late May 2026 to no longer seek to submit a local plan by December 2026 under the old-style local plan system. They intend to engage with the new-style local plan system, although no timetable has been set for this to commence due in part to the upcoming changes as part of local government reorganisation.

- Hart District Council is preparing a plan under the new plan making system. They are at the scoping and early participation stage of the plan making process. Hart DC have consulted on their 'Call for sites' and duty to cooperate consultations. There is ongoing active engagement and the most recent has been a duty to corporate meeting where Hart DC, discussed with the EA their local plan progress (ie, timetable, engagement approach, policy updates and their progress on producing key evidence based documents including the WCS).

## Environment Agency advice

- This position statement will be the basis for EA advice for applications we are consulted on that will result in new water supply connections to the SEW WRZ4-West and for growth proposed in the emerging local plan.

### Advice on planning applications

- To understand the risks to the environment from developments and plans that make new demands for water, further assessment is needed, ideally through a Water Cycle Study for the WRZ. While a Water Cycle Study is prepared, in order to provide a clear steer to local planning authorities that fall within WRZ4-W short term growth, we have made an assessment of additional demand for water from applications awaiting determination and anticipated development coming forward in applications in the next 2 years.

- The additional demand for water is proportionally very small compared to the overall demand for water in WRZ4-W. It is unlikely modelling would show the impact of this increase in demand for supply on groundwater levels and in turn water levels in the affected wetland habitats would constitute significant harm. On this basis we are unlikely to object to the proposed developments in planning applications due to risk posed by additional demand for water supply to the environment for the short term.

- Environmental Impact Assessment (EIA) Regulations in Schedule 2 of The Town and Country Planning (Environmental Impact Assessment) Regulations 2017 (10 b (ii)) set a threshold to consider screening in 'urban development projects' if the development includes more than 150 dwellings. On this basis we strongly advise EIA screening includes consideration of cumulative impacts of the development on water resources referring to Schedule 3 (specifically parts 1 (b), 1(c), 2 (b) and 2 (c)(i)(iv)(vi)) of the regulations: The Town and Country Planning (Environmental Impact Assessment) Regulations 2017. While the Environment Agency is not a statutory consultee for EIA Screening, the information in this position statement can be used to consider if developments should be screened in due to the likely effects of the development cumulatively with wider development on the water environment.

- Developments screened in for EIA are required to assess the likely effects of the development cumulatively with wider development on the water environment, as a relevant consideration under Schedule 4 of the regulations, and reflect this assessment in their Environmental Statement. This should include assessment of water supply capacity to support growth and the capacity of the impacted environment to be undertaken, accounting for statutory environmental objectives.

- This advice for planning applications in WRZ4-W is premised on the following factors:
  - It is based on an assessment of demand for short term growth within WRZ4-W. This is based on applications both awaiting determination and anticipated

in the next 2 years totalling approximately 2200 homes[1]. We will revise this position, as necessary, if new evidence becomes available and / or when modelling is undertaken.

- Medium to long term growth is more likely to result in significant environmental harm. This is reflected in our objection to the Regulation 18 consultation for the Basingstoke and Deane local plan until assessment is undertaken to demonstrate that demand for water supply for growth in the local plan will not harm the water environment and allow it to meet statutory environmental objectives. We strongly advise the LPAs in WRZ4-W and South East Water comprehensively assess the impact of demand for water on the environment in a Water Cycle Study. Critical to this is South East Water confirming water supply scenarios based on new sources, particularly when the pipeline will be completed.

- To reduce risks, we strongly advise that the LPAs next local plans include requirements for water efficiency that are more stringent than building regulations. Ahead of new local plans being adopted, we strongly advise LPAs require new developments to meet higher levels of water efficiency. We welcome discussions about this with the LPAs.

- This advice has been provided in our capacity as planning advisor is distinct from our capacity as a regulator to refuse the abstraction licence renewal for Greywell. Our planning advice is focused on the impact of new developments on the environment and in the context of our duties in Water Environment (Water Framework Directive) Regulations 2017 Regulation 33 that requires us to 'have regard' to the environmental objectives set out in River Basin Management Plans (RMBP). This is distinct from the assessment we need to make in determining abstraction licence applications, which requires us to consider the impact of the total abstraction demand on the environment and the duties on us as a permit decision maker, under Water Environment (Water Framework Directive) Regulations 2017 Regulation 3, that precludes us from granting permits that compromise water body environmental objectives.

- There is a security of supply risk for customers in WRZ4-W. This will significantly increase if South East Water's appeal against the EA's refusal to renew the Greywell abstraction licence is unsuccessful. It is important that LPAs account for the impact on security of water supply in their decision making but note that we can point out the risk of supply deficits but we cannot advise on the impact on people, such as any amenity and public health risks.

[1]Supply demand for 2200 homes is approximately 0.65 M/ld assuming water usage of 125 l/p/d. Additional demand for non-residential development will be accounted for as follows:

- Most new non household growth is likely to be in the service sector and primarily utilises water for employee welfare and sanitary purposes and the large majority of individuals working within newly established employment premises already reside within the same WRZ4-W geographic boundary.
- For larger, high-consumption commercial users outside of 'domestic use' (water use in public buildings, such as schools and hospitals, as well as residential dwellings), technical evaluations on a case-by-case basis will be undertaken by South East Water, and will only be approved if sustainable in line with wider water supply demands.

**Local plan**

- A comprehensive assessment of water supply capacity for SEW WRZ4-West and the capacity of the receiving environment, accounting for statutory environmental objectives, should be undertaken to understand if planned growth[4] can be accommodated until increased water supply capacity for the WRZ is provided.

- We strongly advise that this forms part of the Water Cycle Study that is being prepared as part of the local plan evidence base. It should be carried out with input and support from SEW and assess water supply capacity to support growth and achievement of statutory environmental objectives across the plan area. This should assess water supply capacity of the SEW WRZ4-West to accommodate growth coming forward in applications and emerging local plans.

- Through liaison with SEW, the LPAs can understand when activities to increase capacity within SEW WRZ4-West will be delivered and plan growth that connects to it accordingly, or explore if SEW can deliver work to increase water supply capacity more quickly.

- We strongly advise that the LPAs consider requiring more stringent water efficiency requirements for housing (than the 110 lpppd in building regs) and for non-housing development (e.g. using standard such as BREEAM) through a policy in their next local plan (justified by evidence outlined in this position statement).

- We also advise that LPAs, as part of overarching policies that explore nature-based solutions in the catchment that support reducing demand and resilience of the water environment to abstraction.

**Next steps**

- It is important that the cumulative impact of planned growth on the water environment due to increased demand for water supply in SEW WRZ4-West is understood. This will enable LPAs to properly account for these impacts in their emerging local plans and for developers and LPAs to account for this risk when preparing and determining planning applications, especially those requiring EIA.

- To do this there are two key tasks. (1) To confirm water supply scenarios based on new sources, when the pipeline will be completed and the status of existing sources, and (2) what the impact on the environment will be of planned growth will be for these scenarios.

- Task 1: water supply scenarios:

    - SEW need to confirm alternative supply options and how much water they will be able to sustainably provide until the Western Reinforcement scheme (or other solution) is operational to support ‘planned growth’ and reduce the impact on the environment and risks to water supply. This will help LPAs (working with the EA and NE) to understand the impact of growth scenarios

on the environment and test the significance of it under planning policy and their duties under Regulation 33 of the Water Environment Regulations 2017.

- SEW need to advise how significantly supply interruptions or failure, particularly in drought conditions will increase with growth compared to without growth. Again, this will help LPAs understand the risks posed by planned growth.

- SEW need to demonstrate confidence in the date that the Western Reinforcement scheme is funded and accompanied by a realistic and detailed planning and delivery programme. Environmental constraints to the pipeline route are also noted with the potential to increase the programme needed for delivery.

- Task 2: assess impact on the environment of 'planned growth' for scenarios:

  - A high-level exercise to compare current supply scenarios (ahead of any other supply sources SEW identify), likely environmental receptors, and the impact of planned growth. This will aid understanding of additional environmental pressures. The EA can provide a template for this but it requires water supply and network information from SEW. The aim of this exercise is to understand the environmental risks of short-term planned growth to inform decisions on applications awaiting decisions and those that come forward in the short term.

  - There is also a need to have an understanding of the water supply impact on the environment of longer-term planned growth proposed in local plans for the plan period based on longer term water supply scenarios. This is a more formal exercise based on modelling through the Water Cycle Study for local plans.

**Figure 1 Map of LPA boundaries with the boundary for indicative WRZ4-W (Source – South East Water)**

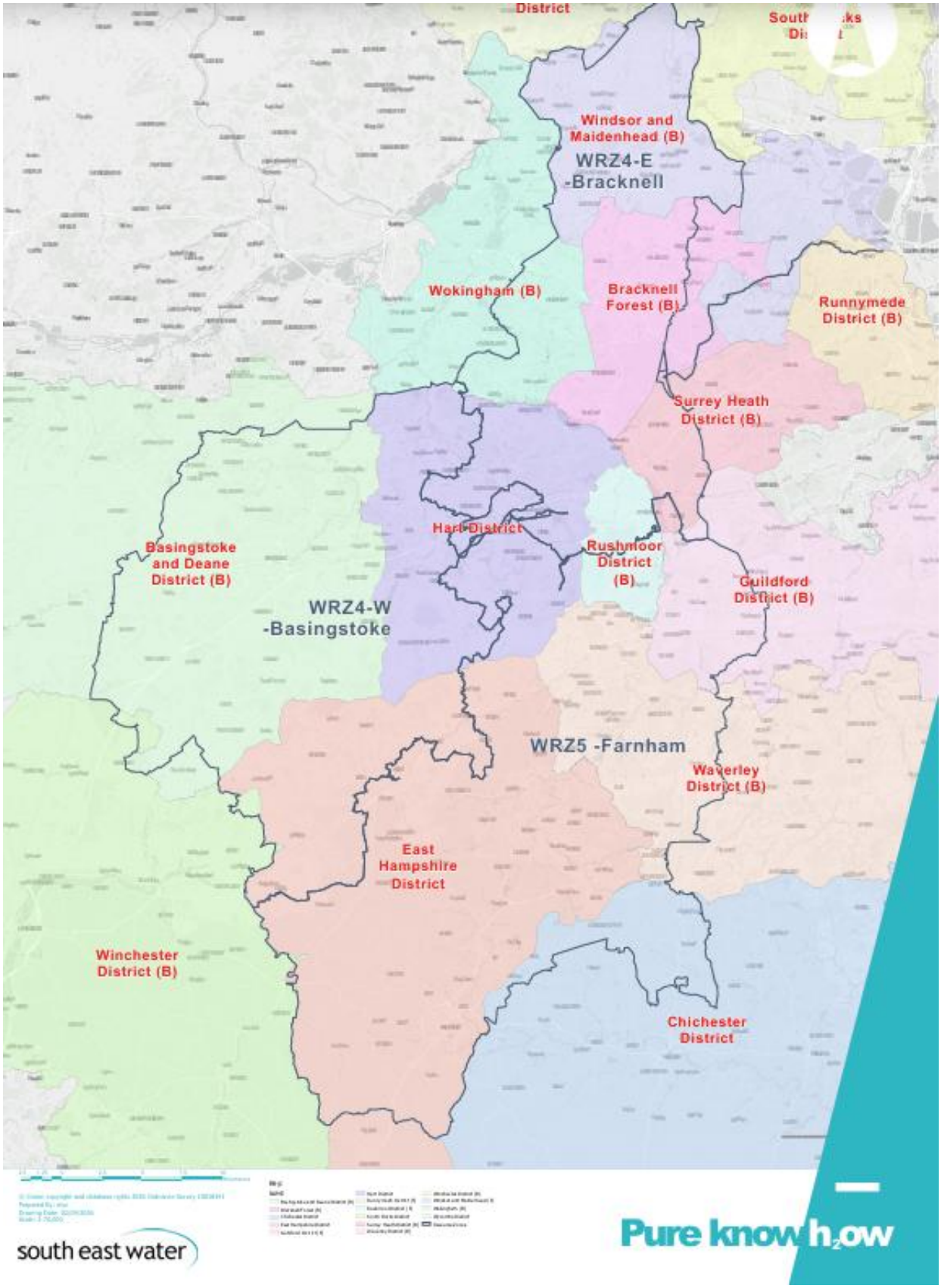
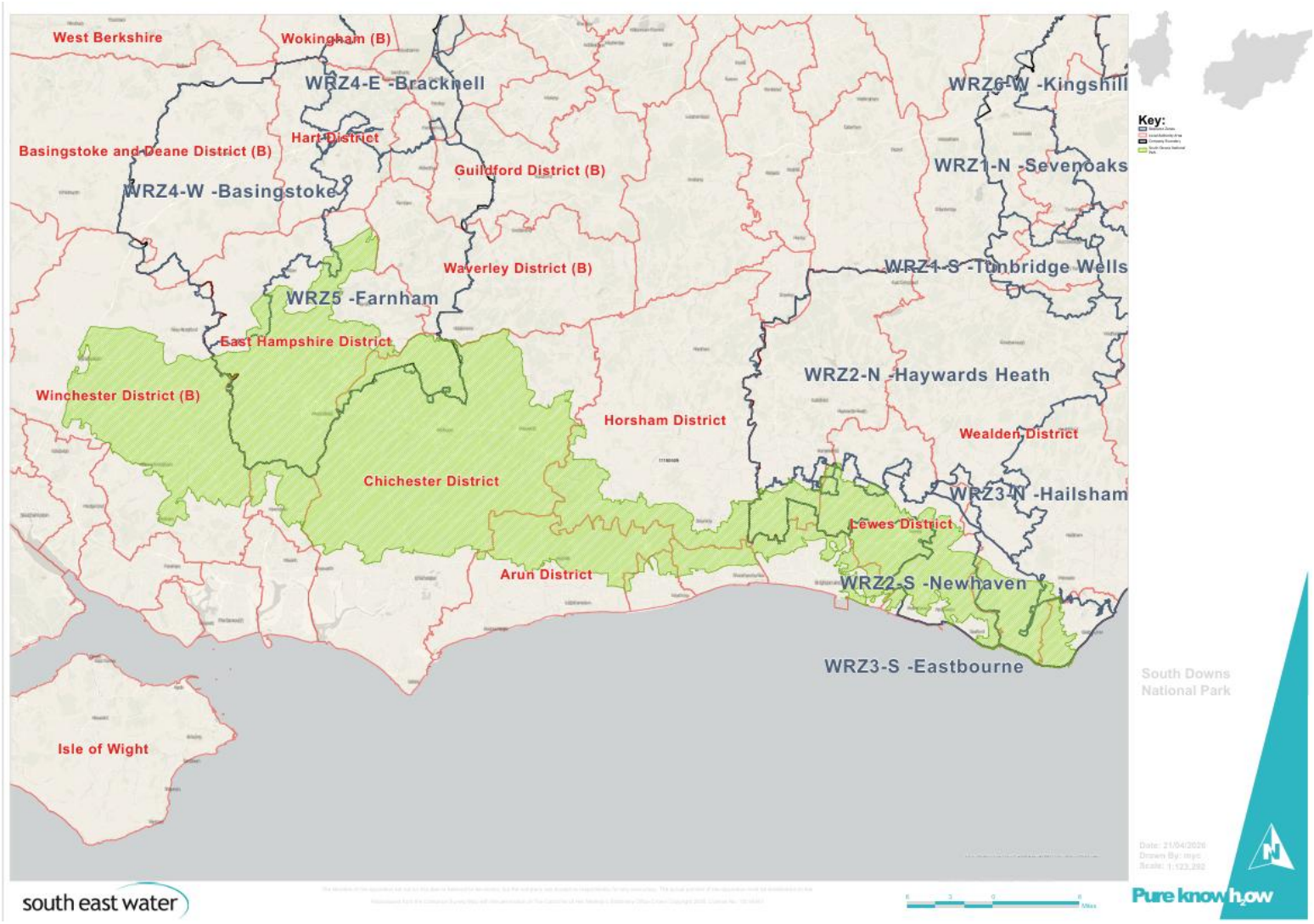


**Figure 2: Map of South Downs National Park Authority boundary with the indicative boundary for WRZ4-W (source – South East Water)**



## ANNEX A – Evidence

### Greywell Abstraction

- SEW's Greywell abstraction was due to be closed in 2020 to address ongoing environmental harm, prevent deterioration and meet requirements in the Water Environment (WFD) Regulations 2017. This was extended to 2025 but the Environment Agency has refused SEW's request for a further extension to 2031, on the basis of environmental damage to Greywell Fen SSSI.

- The Catchment Data Explorer shows the Basingstoke Chalk groundwater body (GB40601G501300):
  - is failing for the Groundwater Dependent Terrestrial Ecosystem Quantitative Test which has a suspected Reason for Not Achieving Good status related to abstraction at Greywell.
  - is failing for the Dependent Surface Water Body Status which has a confirmed Reason for Not Achieving Good status related to abstraction at Greywell.
  - requires the closure of the Greywell abstraction source to enable achievement of the objective of Good status for these two groundwater tests. Continued abstraction at the source will prevent the objective of Good status by 2027 being achieved.

- The Catchment Data Explorer shows the Hart (Crondall to Elvetham) water body (GB106039017090):
  - is failing for the Hydrological Regime which has a confirmed Reason for Not Achieving Good status related to the contribution of impacts from the Itchel abstraction which is also contributing to failures such as to Macrophytes and Phytobenthos combined element.
  - requires a significant reduction of abstraction at Itchel to support the recovery of flow within the water body.

- SEW's Greywell source is adjacent to Greywell SSSI:
  - Greywell Fen SSSI is one of the largest remaining examples of alkaline fen in southern England and represents a habitat that is internationally highly threatened (listed under Annex I of the Habitats Directive).
  - Abstraction pressure from the Greywell source is impacting groundwater levels contributing to ongoing adverse impacts of the alkaline fen habitat (including the decline in the condition and extent of this habitat and the peat that supports it, and the loss of certain, in some case notable, species associated with this habitat type and 'M9 plant community' (fen and mire / bog type vegetation strongly associated with waterlogged, standing or very slow-moving water), which is currently assessed as 'Unfavourable Declining' condition, and prevents the SSSI reaching 'Favourable' condition.
  - Multiple phases of investigation over several Asset Management Plan (AMP) periods between 2005-2025 (AMP4–AMP7) have consistently shown that continued groundwater abstraction depresses groundwater levels beneath the fen. This leads to reduced frequency and volume of spring flows and wetting of the SSSI, which restricts the availability of water critical for the fen's unique habitats and key species. The SSSI's current condition is also contributing to

the wider national Alkaline Fen habitat failure to achieve Favourable Conservation Status.
  - The impact of the source on the SSSI is also preventing the Basingstoke Chalk WFD groundwater body from achieving Good Quantitative Status (2027 objective) – Thames Basin RBMP 2022.
  - Closure of the abstraction was the pathway to achieving this objective. The closure of the source was a WINEP (Water Industry National Environment Programme) obligation following several rounds of investigation since 2010.
  - Analysis during successive AMPs by SEW of the site has shown that species that were present up to 2018 are no longer present from the monitoring SEW have undertaken in recent years.
  - Continuation of abstraction at Greywell will continue to impact Greywell SSSI and risk further deterioration of the site, preventing it from reaching Favourable Condition. Any additional demand associated with proposed future growth is likely to compound this risk, making it even more difficult to secure the environmental restoration and recovery already identified as necessary for the SSSI. Ongoing abstraction will prevent the wider groundwater body from achieving Good status by 2027.

**Itchel Abstraction**

- The Itchel abstraction is impacting the Itchel Brook, a tributary of the River Hart (Crondall to Elvetham) WFD water body and the wet woodland Site of Importance for Nature Conservation (SINC) adjacent to the abstraction:

  - Abstraction at the Itchel source is seasonally reducing local groundwater levels below the level at which features in the wet woodland are wet and flowing, including at Springs Pond and the springs feeding the headwaters of the Itchel Brook. The spring flow, which makes up around 25% of total flow to a 350m reach the Itchel Brook, is reduced significantly, impacting the flow and ecology within the headwaters of the Brook.
  - The impact is contributing to flow failures and ecological impacts within the River Hart (Crondall to Elvetham) water body and its tributaries. If the abstraction were to be reduced, modelling shows that the Itchel Springs Pond within the SINC could be expected to remain wet all year.
  - Reduction of the abstraction was a WINEP obligation due to be implemented in 2025 following previous National Environment Programme investigations.
  - Continuation of abstraction at Itchel will continue to impact the SINC and will contribute to ongoing impacts to local flow and ecology within the wider associated WFD water body.

**Water Pipeline Infrastructure**

- The identified water supply-demand deficit has arisen primarily due to the delayed delivery of SEW's Surrey Hills to Fleet pipeline (which is now part of the company's 'Western Reinforcement Scheme') which was due to be delivered as part of Asset Management Plan 7 (2020 to 2025), exacerbated by water quality issues (nitrates) at abstraction sources and unplanned sustainability reductions at Lasham, a source supplying WRZ4-West.

- SEW have completed an initial options appraisal of potential supply and demand solutions to address the water resources deficit, including changes to customer levels of service, leakage and demand control measures, water quality mitigation measures, and inter- and intra-company transfers. SEW found a limited number of options available to them to resolve the deficit.

- Accounting for this, the critical factors to address supply issues are:
    - Delivery of the Surrey Hills to Fleet pipeline. This has been delayed until at least 2030-31 and is included in SEW's wider WRMP24 Western Reinforcement scheme. At a meeting with BDBC and SEW, SEW informally suggested the earliest the Western Reinforcement Scheme will be delivered is 2032. Confidence in this timeframe is uncertain. The delivery of the pipeline is also in the early stages of development and there are delivery risks. It is important SEW seek to deliver the scheme as quickly as possible, but in doing this demonstrate that it is adequately funded and provide a realistic detailed delivery programme for the scheme, including timescales for an appropriate planning route.

    - Addressing the water quality treatment challenges (nitrates). We understand SEW are prioritising work at the West Ham treatment facility to deal with this issue by the end of 2026. SEW is pioneering the use of BioBox technology to treat the nitrate issue, which is awaiting approval from the Drinking Water Inspectorate. We encourage this action and are liaising with SEW on their progress with this.

**License Renewal**

- The EA has refused SEW's licence application for renewal at Greywell and is also considering action to reduce abstraction at Itchel in order to manage the impact of abstraction on the environment at both sites.

- SEW are appealing the EA decision to refuse the permit renewal at Greywell and they may choose to appeal any action the EA take for Itchel. Any appeal is expected to require SEW to make a case to demonstrate the need; that all alternatives have been fully explored with analysis of costs and benefits and economic information demonstrating that less environmentally damaging alternatives are disproportionately costly with a high level of confidence; that all feasible mitigation is being pursued, that there is overriding public interest and that there is a pathway to a solution at the earliest opportunity meaning the impact is temporary.

- Any appeal is likely to take 6 -14 months during which abstraction can continue pending the outcome of the appeal.

- It is our view, that in the scenario that abstraction is able to continue following the outcome of the appeal, the LPA's duties under regulation 33 of the Water Environment Regulations would still apply (i.e. they would still need to 'have regard' to RBMP objectives) and the risk to the environment would still be a

material planning consideration (i.e. they could not assume under para 201 that the regulatory process has addressed the environmental risk).