Water supply and future development (November 2026) Qs and As

The future security of water supply and the reliance on abstractions from sources within a water resource zone was highlighted following the Environment Agency's, Natural England's and South East Water's response to the council's Regulation 18 Local Plan consultation in March 2026.

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Background

The responses stated that the water resource zone known as WRZ4-W, which covers a significant part of the borough, including Basingstoke town and extends into Hart, East Hampshire and other neighbouring council administrative areas, is forecast to face a supply-demand deficit. This means there are concerns that future demand could exceed the amount of water that can be supplied sustainably without putting pressure on the environment.

The issue is not that homes and businesses will run out of water today. Rather, it is about whether enough water can be made available in the future to provide a secure and reliable supply for

existing customers while also supporting new homes, employment development and community facilities without having an unacceptable impact on the environment.

Over time, increasing demand for water, environmental restrictions on water abstraction, and the effects of hotter and drier weather have placed growing pressure on available supplies. Alongside this, key infrastructure, previously committed to by South East Water, has not been delivered. As a result, South East Water has advised that additional investment is needed to improve the resilience of the network and secure future supplies.

The council is therefore engaging with South East Water, the Environment Agency, Natural England and neighbouring authorities to understand the implications of the water supply constraints and the solutions being developed. This will help ensure that future growth can be planned and delivered in a sustainable way while maintaining a secure water supply for existing residents and businesses.

How has the water issue developed

The water supply issue in the WRZ4-W area has developed gradually over many years for a number of reasons. More people and businesses need water, while at the same time there are tighter environmental rules on how much water can be taken from rivers and underground sources. Hotter, drier weather and longer periods without rainfall have also increased pressure on available supplies. In order to increase supply, South East Water planned to build a new pipeline from the Surrey Hills to this area but this major infrastructure has been challenging to deliver and has been delayed. National planning policy places increased emphasis on boosting housing delivery and economic growth. The council must therefore plan positively for growth whilst ensuring that development remains environmentally sustainable and supported by appropriate infrastructure.

As a result, South East Water has identified that, in parts of this area, there is currently insufficient water available to both maintain a secure supply for existing customers and support all planned future growth without further investment in new water infrastructure. Addressing the issue will require a combination of water network improvements, new supply schemes and future measures to reduce water demand.

What area does this affect

The WRZ4-W area (/content/doclib/4821.pdf) includes a significant part of the borough including Basingstoke town and areas within Hart District Council and East Hampshire District Council and to a lesser extent land with the South Downs National Park, Wokingham Borough Council and Winchester City Council administrative areas.

How does it affect residents living in the area

South East Water reassured the council in June 2026 that there is no immediate threat to the water supply.

What is the council doing to gather more information

The council is working hard to establish the facts and to seek information from the organisations involved with the relevant expertise, particularly South East Water, the Environment Agency and Natural England.

The council is also actively participating in cross-organisation steering group meetings, involving the affected authorities with the Environment Agency, South East Water, Natural England and Defra.

The Leader of the Council, alongside the council's Chief Executive, has met with the Chief Executive of South East Water on a number of occasions. This has been helpful in improving understanding of the challenges facing the water supply network and the infrastructure solutions being developed. This discussion will continue with further meetings planned.

What does it mean for future development

The council must determine planning applications in accordance with the development plan unless material considerations indicate otherwise. This includes having regard to the National Planning Policy Framework (NPPF), which requires planning decisions to support sustainable development, ensure that sufficient infrastructure is available to serve development, and protect and enhance the natural environment. Water supply capacity, water resource resilience and impacts on designated environmental sites are therefore important considerations in decision-making.

As the Local Planning Authority, the council needs to understand the relevant material planning considerations when making decisions. Where there are legitimate, evidenced concerns about water supply, this is a material planning consideration. For the new local plan and future development, this is an infrastructure constraint that requires further research and could potentially influence the future location and phasing of development.

Water supply concerns do not automatically prevent development from taking place. The council must be satisfied that planning applications can be determined lawfully having regard to all relevant evidence, national policy and consultation responses.

National and local plan policies

National Planning Policy Framework (NPPF) 2026 sets out decision-making policies. In relation to the issue of water, Policies DP3 and P3 of the NPPF seek to improve water quality, requiring that developments do not contribute to unacceptable levels of water pollution, and should assess and mitigate impacts where they could have an unacceptable adverse effect on water quality. Policy N6, protecting biodiversity, requires that development affecting habitats sites of national or local importance should only be supported if there would be no adverse effects or the benefits of the development clearly outweigh likely impact. Policy DM7 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. Further guidance is set out in Planning Practice Guidance (PPG) for Water supply, wastewater and water quality.

Relevant local policies are set out in the Adopted Basingstoke and Deane Local Plan (2011-2029) (https://www.basingstoke.gov.uk/adopted-local-plan) . Policy CN6 requires development to have sufficient infrastructure, including water, prior to its occupation. Policy EM6 seeks to protect,

manage and improve water quality across the borough, particularly within water bodies that do not meet, or are at risk of failing, Water Framework Directive objectives.

Policy EM4 protects nationally and locally designated nature conservation sites from significant harm from development.

What is the Environment Agency's position

The Environment Agency has highlighted ongoing concerns about the long-term security of water supplies within WRZ4-W and the risk of future water supply deficits.

However, since their original response to the council's local plan consultation the Environment Agency have provided a position statement (/content/doclib/4820.pdf) to support their individual responses to planning applications.

The Environment Agency's latest position is clear. Having assessed the scale of development expected through current applications and anticipated short-term growth, the agency concluded:

"The additional demand for water is proportionally very small compared to the overall demand in WRZ4-W" and it is "unlikely" that modelling would demonstrate significant harm to groundwater levels or wetland habitats arising from this additional demand. Accordingly, the Environment Agency states that it is unlikely to object to proposed developments in planning applications on water resources grounds in the short term."

The agency's assessment is based on an approximate number of new homes expected through applications awaiting determination or anticipated over coming years. The resulting additional demand is a small proportion of total water demand within the zone.

The Environment Agency remains concerned about large scale applications which are subject to the environmental impact assessments and seeks assurance that the impacts of those developments are carefully considered in combination with other developments.

The absence of an objection from the statutory environmental bodies does not remove the council's responsibility to consider the issue, but it is a highly significant material consideration when assessing whether there is sufficient evidence to justify refusing planning permission.

This position will be under constant review and informed by further evidence and decisions outside of the council's control including a decision on the appeal by South East Water on the continued abstraction of water from the Greywell Fen.

The council fully recognises the seriousness of the issues identified by the Environment Agency, Natural England and South East Water regarding water resources within WRZ4-W. The evidence demonstrates that there are genuine strategic challenges relating to future water supply resilience, environmental capacity and the long-term sustainability of water abstraction in the catchment. The council considers that they require urgent attention through strategic planning, infrastructure investment and environmental assessment for large scale developments.

However, the existence of a strategic water resource challenge does not automatically justify withholding or refusing all planning applications within the affected area. Planning decisions must be made in accordance with the development plan and national policy, having regard to the evidence available in relation to the specific application before the decision-maker. The council must therefore distinguish between:

- the strategic implications of cumulative growth over the longer term; and the implications of large scale developments subject to an Environmental Impact Assessment; and
- the planning merits and impacts of individual small and medium development proposals requiring determination now.

This distinction is fundamental to ensuring decisions remain lawful, evidence-based and capable of being defended at appeal.

Whilst acknowledging these concerns, the key issue for decision-makers is whether the available evidence demonstrates that an individual planning application can be supported by a secure and sustainable water supply and whether the development would result in unacceptable impacts on the environment. Planning decisions must therefore consider both the adequacy of water resources to serve the proposed development and the potential effects of water abstraction and consumption on designated habitats, water bodies and existing customers. For larger scale developments the evidence to support this needs to include not just an assessment of the individual application but its impact in combination with other developments.

What additional safeguards will be put in place for larger scale development subject to environmental impact assessments

The council recognises that the principal concern identified by the Environment Agency is not generally the impact of individual developments in isolation, but the cumulative effect of multiple large scale developments across WRZ4-W when considered alongside planned growth and existing commitments.

Accordingly, whilst the existing evidence does not justify a blanket restriction on the determination of planning applications, the council considers it reasonable and necessary that larger development proposals may be subject to a more detailed assessment of water resource impacts.

The council notes that the Environment Agency has specifically advised that developments which are of a scale large enough to require an Environmental Statement under the Environmental Impact Assessment Regulations should assess the likely effects of the development cumulatively with wider development on the water environment and should consider water supply capacity, environmental capacity and statutory environmental objectives as part of the Environmental Statement.

The council is seeking further advice from the Environment Agency and separate legal advice on this point. Applicants will be informed once a conclusion has been reached.

Can planning applications be refused because of water supply and environmental concerns

The council must have regard to the Local Plan and the National Planning Policy Framework (NPPF), including policies that seek to ensure development is supported by the necessary infrastructure and does not result in unacceptable impacts on the natural environment.

Water resources and the security of supply are a material planning consideration and that future growth must ultimately be shown to be environmentally sustainable.

The concern is that pressure from new development in the future could impact on the secure supply for existing customers, if infrastructure improvements are not put in place.

The council acknowledges the evidence that:

- WRZ4-W currently faces a potential supply-demand deficit, particularly in dry-year scenarios.
- Existing abstraction from the Greywell Fen and Itchel sources is contributing to environmental pressures on water bodies and designated ecological sites. South East Water are currently appealing the Environment Agency's decision to refuse to renew the company's abstraction licence a Greywell Fen (a sensitive alkaline fen and Site of Special Scientific Interest). The appeal is awaiting a decision.
- The delayed delivery of major infrastructure improvements, particularly the Western Reinforcement Scheme and Surrey Hills to Fleet Pipeline, has increased concerns regarding future water security.
- There is a need for an additional Water Cycle Study focusing on the supply issues, to understand the full cumulative impact of planned growth across the affected authorities.

National planning policy requires planning applications to be determined on the basis of the evidence available and the impacts of the specific development being proposed.

The issue is not immaterial, but it must be weighed in the balance with all other material planning considerations.

It is possible for a water supply constraint to be a reason for refusing a planning application. As with all reasons for refusal, however, there must be a clear evidential basis for concluding that the constraint is sufficiently proven and direct to justify refusal, and the decision must be consistent with the relevant planning policies and guidance.

What has South East Water recently told local authorities

Following the completion of technical work, South East Water has provided further information on the water supply challenges affecting Water Resource Zone 4-West (WRZ4-W). The company has emphasised that the issue is primarily one of future resilience and peak demand during drought periods, rather than an immediate shortage of water for homes and businesses.

South East Water have confirmed:

- There is no immediate risk to customers' water supplies. South East Water continues to supply customers across the area and has advised that the current challenge relates to maintaining resilient supplies during future periods of exceptionally high demand and prolonged dry weather.
- The greatest pressure occurs during drought and peak summer demand. The company explained that short-term spikes in water use during hot weather create the biggest challenge for the network.
- A range of measures are already being implemented. These include reducing leakage, encouraging customers to use water more efficiently and applying temporary restrictions, such as hosepipe bans, during severe drought conditions where necessary.
- Major infrastructure investment is planned. South East Water is developing a package of improvement projects, including new pipelines, network reinforcement and additional water supply infrastructure designed to improve long-term resilience.
- The additional infrastructure will be delivered during the 2030s. The company expects major investment schemes to increase water supply resilience significantly once they are operational.
- South East Water's current assessment is that the area faces a short-term supply challenge but a longer-term solution is being developed. The company forecasts that planned infrastructure improvements and demand-management measures will address future pressures on water supplies.
- The company does not support a halt to development across the area. South East Water's preferred approach is to continue delivering infrastructure improvements alongside growth while managing water demand and maintaining resilience during the transition period.

What is the council doing in the longer term

The council is continuing to work with neighbouring authorities, South East Water, the Environment Agency and Natural England to understand the longer-term implications of the water supply constraint for future growth in the affected area.

This includes the completion of the joint Water Resources Study which will help inform both the council’s approach to current planning applications and the new local plan. The study will consider the infrastructure improvements needed, when they may be delivered, and whether additional measures such as higher water efficiency standards for new homes could help reduce demand for water.

The evidence will help ensure that future development is planned in a way that reflects available water resources and can be supported by the infrastructure needed to serve communities and businesses. For the local plan, it will help to ensure that the distribution and phasing of future development is aligned with available water resources, planned infrastructure investment and the environmental objectives applying to protected habitats, groundwater bodies and watercourses. The council's objective is to ensure that future growth remains plan-led, sustainable and supported by suitable infrastructure.

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