

Report to Council

27 April 2022

By Cabinet Member for Planning & Development

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Water Neutrality Resourcing

Executive Summary

Natural England requires any development in the Sussex North Water Resource Zone to demonstrate that it does not increase the use of mains water in order to minimise harm to the internationally protected species and habitats of the Arun Valley. This is known as water neutrality. This area is the first in the Country to be affected by such matters and additional work is needed to prepare an appropriate mitigation strategy. This work is being undertaken jointly by all affected authorities.

West Sussex County Council has been awarded £100,000 grant from the Local Enterprise Partnership on behalf of the councils in the Sussex North Water Resource Zone, to enable the recruitment of essential staff to assist in the delivery of the necessary Water Neutrality Mitigation Strategy.

This report seeks agreement for this Council to set up the budgetary arrangements to spend up to £100,000 in the current financial year and receive compensatory payment from West Sussex County Council from the LEP grant income.

It is appropriate for Horsham District Council to be the host authority because it is the only authority in the Sussex North Water Resource Zone that is wholly affected by the issue of water neutrality and is centrally located within this area.

Recommendations

That the Council is recommended:

- i) To agree an expenditure budget of £100,000 in 2022/23 to enable the recruitment of a Water Neutrality Project Manager and other support staff which may be required, and the income budget of £100,000 from West Sussex County Council that it sourced from the LEP.

Reasons for Recommendations

Additional resourcing is required to deliver the Mitigation Strategy for Water Neutrality. Horsham District has the largest geographical area affected by this issue and is a central location within the Sussex North Water Resource Zone. It therefore is logical to act as the host authority for the additional post. As West Sussex County Council initially secured LEP funding for this additional resource it will be necessary to recharge the County Council to access the agreed funds.

Background Papers:

Natural England Water Neutrality Position Statement
Sussex North Water Resource Zone Map

Wards affected: All

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Background Information

1 Introduction and Background

- 1.1 Horsham District Council, Chichester District Council and Crawley Borough Council have been collaborating since 2020 to produce Local Plans which are Water Neutral following advice received from Natural England by the respective authorities.
- 1.2 In September 2021 the Local Authorities in the Sussex North Water Resource Zone received a formal Position Statement from Natural England. In addition to the authorities identified in para 1.1, this also included the South Downs National Park Authority and West Sussex County Council.
- 1.3 The Position Statement outlines that development within the Sussex North Water Resource Zone is increasing the demand for drinking water, which it is thought to be harming habitats and species in the Arun Valley protected under the Habitat Regulations. Natural England advise that for development to proceed, it must be “water neutral”. This means the amount of water extracted from the aquifer at Hardham cannot increase above existing levels.
- 1.4 The result of the advice is that the authorities must be satisfied that all new development achieves water neutrality including developments coming forward before the Local Plans are finalised. This is severely limiting the amount of development which can take place in the affected area. The need to seek a solution is therefore ongoing and urgent.

2 Relevant Council policy

- 2.1 The preparation of a new Local Plan and the protection of the environment are key priorities set out in the Council’s Corporate Plan. The preparation of a Mitigation Strategy for Water Neutrality will help ensure that the Local Plan can be progressed in a way that delivers the necessary environmental protections.

3 Details

- 3.1 The work to deliver the water neutrality solution is resource intensive involving significant officer time across the affected authorities. The work also involves liaison with key third parties necessary to delivering the solution including Southern Water, Natural England, the Environment Agency and Government Departments. This is taking officers away from other roles and commitments. All affected authorities require additional resourcing to support the additional workload that has been generated by the requirement for Water Neutrality.
- 3.2 The affected Authorities have been seeking means by which the additional resources required can be secured. It is noted that the Government has recently made funds of up to £100,000 available to Local Authorities affected by the issue of Nutrient Neutrality, which whilst different to Water Neutrality has similar outcomes on limiting the level of development which can proceed. The impacted authorities have therefore raised this with Government and are seeking parity on this matter.

- 3.3 Acting on behalf of the affected authorities, WSCC has successfully bid for £100,000 from the Local Enterprise Partnership (LEP) for the 2022/23 period. This will help provide much needed resource to develop the Mitigation Strategy, including the business case for its longer-term implementation and delivery. It has been agreed that this funding will help support a project manager and some administrative support to help co-ordinate the work of consultants, Local Authorities and other relevant organisations, securing necessary agreements, governance and additional resourcing required to deliver this project.
- 3.4 Horsham District is the largest geographical area affected by the Water Neutrality requirement and is also the central authority within the Sussex North Water Resource Zone. It is considered that HDC would be well placed to host the additional posts to ensure that all authorities are well served by the role.
- 3.5 Whilst it may be possible to secure the additional support required through a procurement process for environmental consultancy support, this is likely to exceed the £100,000 grant within a short space of time and is therefore unlikely to help deliver the outputs required. The appointment of an officer 'in-house' is likely to be more cost effective to deliver the ongoing support which is necessary over the next 12 months. Further detail on this is set out under financial implications.

4 Next Steps

- 4.1 If Horsham District Council is to host the Water Neutrality Project Manager role (and/or other posts which are feasible within the grant award) it is necessary to agree that budgetary provision be made for this spend, prior to recouping this money from WSCC (who will receive the funding from the LEP). Given the urgency of securing additional resource, it is considered that agreement to enable recruitment to take place is required immediately.

5 Views of the Policy Development Advisory Group and Outcome of Consultations

- 5.1 All Member training and updates have been provided to Members on the issue of Water Neutrality. The Planning & Development PDAG has also been advised of the £100,000 award from the LEP. There is support for the necessary resourcing to be put in place to deliver the strategic solution and to help unlock development in the affected authority areas.
- 5.2 There is ongoing discussion in the development of the Water Neutrality Project Manager post with all the affected authorities in accordance with the agreed Governance structure.
- 5.3 The Director of Corporate Resources and monitoring officer have been consulted and their comments and feedback has been incorporated into this report.

6 Other Courses of Action Considered but Rejected

- 6.1 Whilst WSCC has secured the funding from the LEP, it has been considered whether they or other authorities may be able to host any role. In addition to the geographical rationale set out in para 3.4, it is also appropriate that a District or Borough lead this work as the primary purpose of the Water Neutrality mitigation strategy is to unlock the delivery Local Plans, which is not a WSCC responsibility.

7 Resource Consequences

- 7.1 As set out earlier in this report, WSCC has secured £100,000 LEP funding to provide resources to deliver a water neutrality mitigation strategy. If HDC hosts this role, this funding would be recouped from WSCC and ultimately this resource would be cost neutral to the authority.
- 7.2 In the short term, however there are 'up front' costs attached to supporting such a role/s. To date work undertaken on appointing additional resources has focussed on the Project Manager role. Estimated costs are as follows:

Salary and oncosts – Based on G10 post this would be approximately £68,000 for a full year.

Recruitment advertising– budgetary provision has been made for recruitment advertising within the Strategic Planning budget which would cover this – estimates are for £500 to £1,000 depending on the extent of the advertising required.

Day to Day support – Once in post some additional spend would be incurred (e.g., laptop provision). This is estimated at £2,000. As all Water Neutrality meetings are held online, travel re-imburement is currently estimated to be nil.

Total costs that the Council might incur for the Project Manager before being reclaimed are therefore estimated to be £71,000 in total, leaving £29,000 for any other admin support or consultancy.

- 7.3 Current estimates are therefore within the £100,000 grant award. Whilst other resourcing (eg admin support) has been identified as being necessary this could not go over the £100,000 agreed at the current time. In the longer-term other sources of funding for the role/s may become available (eg Government funds or other sources identified as part of the business case for the implementation of the strategy).
- 7.4 If the expenditure is below £100,000 during 2022/23 and the work continues into 2023/24, any budget would be carried forward up to the £100,000 limit.
- 7.5 Due to the specialist nature of the post and the fixed term it may be difficult to recruit to. Secondments from other authorities would be considered. Appointees with reckonable continuous service will have full employment rights from their start date and any termination of contract due to the end of the fixed term (or otherwise) may attract costs, which cannot be quantified here.

8 Legal Considerations and Implications

- 8.1 It is a legal requirement that Horsham District Council prepare a Local Plan which respects the position of Natural England to ensure water neutrality and comply with the requirements and obligations of the Habitats Regulations.

- . Additional resourcing will help secure a mitigation strategy that enables this legal requirement to be met.

9 Risk Assessment

- 9.1 It is critical that a solution to water neutrality is found as quickly as possible. A key risk is therefore unnecessary delays in decision making which could slow the recruitment of the additional resource and ultimately the solution to this issue. Insufficient speed with recruitment could also lead to the loss of availability of LEP funding which is available to be spent in the 2022/23 period. Decision making to support recruitment is therefore required in a timely manner.

10 Procurement implications

- 10.1 There are no specific procurement implications arising from this report. In the event that additional resourcing is secured through an environmental consultancy this would be carried out in accordance with the Council's procurement policies and procedures.

11. Equalities and Human Rights implications / Public Sector Equality Duty

- 11.1 Delivery of a water neutrality mitigation strategy will ensure continued access to adequate water supplies to all.

12 Environmental Implications

- 12.1 There are no direct environmental implications arising from this report. However, it is clear that the additional resourcing towards the delivery of a water neutrality mitigation strategy will ensure that key habitats and species are protected.

13 Other Considerations

- 13.1 There are no GDPR, data protection or Crime and Disorder implications arising from this report.

