
Gate three query process

Strategic solution(s)	HWTWRP
Query number	HAM004
Date sent to company	09/09/2024
Response due by	25/10/24

Query

Please provide further, updated, detail on the key planning steps to be carried out, including updating references from earlier this year.

This should include: details of the application for the variation to the Section 35 Direction and when this will be complete; the agreed pre-application tier status of the proposal and the internal resources dedicated to managing the land and planning strategy.

Please also provide an update on the acquisition status of key parcels of land, including where options are to be used in preference to CPO.

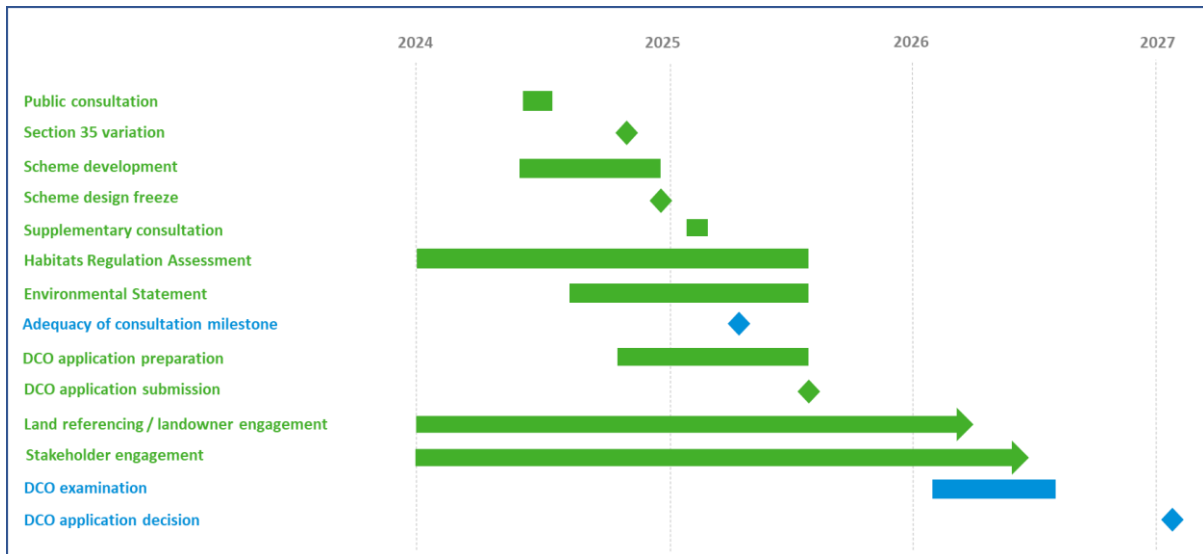
Solution owner response

Chapter 6 of our Gate Three submission, specifically section 6.3, outlines the key planning and consenting steps required to progress the project to both Gate Four and Development Consent Order (DCO) submission. Namely these steps are to undertake statutory consultation, complete the environmental statement, undertake land referencing, secure land rights, and prepare and submit the DCO application. Section 6.4 expands on this by summarising progress and next steps across key DCO related workstreams and activities, including scheme development, environmental assessment, consultation and engagement, and other consents and licences. Further updates from that submitted at Gate Two on the DCO application documentation and other licences and consents that might be needed to deliver the project are included in Annex 6. The key activities under these workstreams is further set out in the programme schedule included in Annex 6.

The key planning and consenting steps outlined in our Gate Three submission were updated from the more detailed strategy required as part of our Gate Two submission, set out in summary at Section 4.2 of the Detailed Feasibility &

Concept Design Report ii Water Recycling, and in considerably more detail in Section 2.6 of Annex 2, Water Recycling.

These key planning and other DCO related steps, including key milestones, have been included and added to below in a high level schedule. Key future milestones prior to Gate Four include scheme design freeze, adequacy of consultation milestone (a new Planning Inspectorate requirement published by PINS following our Gate Three submission), carrying out a supplementary consultation, and DCO application submission.



Further information on a number of these key DCO related steps is provided as follows:

Consenting route:

Information on the consenting route can be found within section 6.4.1 of our Gate Three submission. In May 2022, the Secretary of State issued a section 35 direction, declaring the scheme as a project of national significance that must be consented through the DCO consenting process. Post our Gate Three submission (July 2024), discussions with DEFRA regarding a variation to the existing section 35 direction are ongoing with a view to securing a variation to the existing direction by the end of 2024. This variation would principally address changes to the project to provide for flexibility in the specification of the pipelines between the water recycling plant and Havant Thicket Reservoir. An update on this will be provided at Gate Four and in Checkpoints with RAPID in the interim.

Tier status:

Regarding engagement with the Planning Inspectorate’s new tiered service levels, it was confirmed by PINs (in August 2024) that the project will receive the standard tier service. Our engagement programme and plan with the Planning Inspectorate has been updated to reflect this and engagement will continue to consider progress on the project and overcoming key challenges to get to a DCO application. Engagement progress will be summarised at Gate Four and in Checkpoints with RAPID in the interim.

Managing the land and planning processes:

In respect of internal resources to manage the land and planning processes, or more precisely undertake the land and planning activities required to achieve DCO submission, Southern Water has internal technical leads for land and planning, with Project Managers for the different disciplines and inhouse legal support. The internal team is supplemented by consultant teams from Dalcour McLaren (Land), Stantec, Quod and Adams Hendry (Planning/consenting) – all recognised experts in the delivery of DCO projects. Stantec and Quod perform the bulk of activities in respect of the planning and consultation workstreams, with engagement activities shared with Arup and Royal Haskoning DHV resources.

The project organisation and governance diagram in Annex 6 of our Gate Three submission illustrates how the project is organised into key workstreams and working groups to effectively meet the needs of the DCO process. More detail on this is provided in section 6.5.1. Beyond this, and at a more granular level, appropriate plans and mechanisms are in place to ensure robust processes are followed to provide assurance and reduce risks in DCO delivery. These include:

- Draft policy tracking tools to monitor compliance with policy requirements (see below);
- Development, recording and review of scheme development design changes and site selection processes;
- Comprehensive stakeholder engagement plans and processes, including funding agreements;
- Delivery plans and associated tools for key DCO deliverables;
- Extensive and ongoing legal support to all DCO activities; and
- A bespoke system for managing landowner and occupier data and producing a Book of Reference.

Policy compliance:

The project's planning team maintains draft policy tracking tools that are updated regularly to reflect policy changes and check compliance against key relevant policies. Key policy requirements tracked at a national level include those with the National Policy Statement for Water Resources Infrastructure (2023). Relevant policy requirements relating to the environmental assessment of the project were set out within the Preliminary Environmental Information Report as part of the recent DCO statutory consultation, following our Gate Three submission. These will be again set out within the Environmental Statement supporting the DCO application and the Planning Policy Compliance Statement will set out how the project performs against relevant policy requirements overall.

Key policy issues relate to need, alternatives, good design, biodiversity, water quality, carbon, noise, socio-economics, BNG and heritage. Through environmental assessment, strategy and mitigation development, and ongoing scheme refinement and stakeholder engagement towards DCO application submission, all of these policy issues are capable of being addressed to a satisfactory level to reduce any risk of non-compliance.

Project need

To manage implications of Southern Water's WRMP24 potentially not being published by DCO application submission or examination stages of the project, we are building a comprehensive need case to support the application. Engagement will take place with key statutory bodies later this year on a draft of that document whilst closely monitoring progress of our WRMP24.

Scheme development

Since changing the preferred solution from desalination to the current project at the time of our Gate Two submission, the project has been developed for the dual purposes of a DCO application and further gate submissions. The evolution of the project through the options appraisal process and initial site selection work was comprehensively set out in our Gate Two submission.

Section 6.4.5 of our Gate Three submission outlines how scheme development has progressed to inform public consultations on the project. This has been an intentional part of our consultation strategy for the project. The development of

the project from Gate Two to the non-statutory public consultation in summer 2022, which focused on project need, preferred sites and pipeline corridors, was set out in the Scheme Development Summary Report as part of that consultation. A further iteration of the Scheme Development Summary Report, setting out how the project was developed from the 2022 public consultation, was produced to support our DCO statutory consultation in summer 2024, following our Gate Three submission. That consultation focused on the more developed proposed project design for pipeline routes and sites for plant, including temporary works. It is intended that our summer 2024 consultation will be the last full scheme consultation prior to DCO submission, subject to no fundamental changes that substantially change the nature of the project.

The evolution of project design and site selection is comprehensively set out in section 2.3 Solution Design of our Gate Three submission.

Going forwards – reflecting on feedback received from the summer 2024 DCO statutory consultation, ongoing engagement, environmental assessments and scheme design refinements, the project will be further developed to outline design for the DCO application. This is considered an appropriate level of design detail for a DCO project of this nature and taking into account the procurement approach to delivery through a third party contractor. Detailed designs will be secured for large scale above ground plant, where necessary, post consent. The DCO application will include a Scheme Development Report providing a full summary of project design development and site selection. This will be referred to and cross-referenced in our Gate Four submission, following completion of the relevant key planning steps outlined both above and in our Gate Three submission.

Mitigation

The project teams have continued to work on our DCO application and Environmental Impact Assessment (EIA) since the preparation for the Gate Three submission was “frozen” for assurance purposes in February 2024, prior to the informal submission in March 2024.

The clarification provided in this response relating to the approach to mitigation should therefore be read in conjunction with Gate Three and compliments section 4 of the Gate Three submission.

As part of the EIA workstream a mitigation strategy has been prepared as an inherent component of the assessment process. The approach to mitigation is detailed within the Preliminary Environmental Information Report presented as part of the DCO Statutory Consultation held in Summer 2024. A short summary is provided below.

We are committed to reducing significant adverse impacts of the project as far as practicable, and have adopted a mitigation hierarchy when developing and making decisions about our proposals, in line with best practice and the relevant legislation and policy identified. The hierarchy directs us to make modifications to our proposals at the design stage to avoid/prevent potential adverse impacts associated with the project in the first instance, particularly in relation to protected habitats and species, and habitats of very high value and distinctiveness. Where an impact cannot be avoided/prevented, design changes or other measures are implemented to reduce the significance or likelihood of the impact. If it is not possible to avoid or reduce a significant adverse effect, measures to remediate or compensate for the effect are then considered.

The mitigation hierarchy is clear that opportunities to deliver enhancements should also be considered. This is considered best practice and in line with the 2016 EIA Guide to: Delivering Quality Development from the Institute of Environmental Management and Assessment (IEMA).

The mitigation definitions we have adopted in order to implement the mitigation hierarchy for the project are as follows:

Primary (inherent) mitigation: Modifications to the location or design of the Proposed Development which are a result of design evolution. Modifications which are an inherent part of the Proposed Development design for the purpose of avoiding, preventing or minimising likely significant environmental effects. For example, re-routing the Proposed Development to avoid passing through an ancient woodland.

Secondary (foreseeable) mitigation: Measures or actions to prevent or minimise any remaining significant adverse environmental effects of the Proposed Development identified through the EIA process. For example, additional noise screening above that provided as part of the Proposed Development design.

Tertiary (inexorable) mitigation: Standard industry good practice measures or actions to reduce impacts, regardless of the design process and EIA assessment. These include actions that will be undertaken to meet existing legislative requirements, and/or actions that are considered to be standard good practice used to manage commonly occurring environmental effects. For example, considerate contractors' practices that manage activities which have potential nuisance and environmental effects, such as the spillage of fuels, oils or other chemicals.

As part of the DCO application and our Gate Four activities a Commitments Register will be developed and submitted to PINS in accordance with the NSIP:

Commitments Register Guidance Note published September 2024 (published post our Gate Three submission). This document will cover the detailed register of mitigation plus relevant signposting to the Environmental Statement and other Control Documents for example the Outline Construction Environmental Management Plan.

The DCO application will include the full Environmental Statement and Supporting Documents including the Commitments Register providing details of the approach to mitigation and the full register of mitigation – primary, secondary and tertiary. This will be referred to and cross-referenced in our Gate Four submission.

Key risks to the project relating to Water Environment Regulations (Water Framework Directive) and Habitat Regulations Assessment (HRA) were presented within Section 4 of the Gate Three submission. An update to the surveys and assessments has been provided post Gate Three as part of the HAM002 response.

Acquisition status of key land parcels

- Main site for the Water Recycling Plant (WRP) purchased by Southern Water in April 2024, following the submission of the informal Gate Three.
- 4x above ground plant sites to be purchased as follows:
 - 2x sites for intermediate pumping stations
 - 1x site for break pressure tank
 - 1x site for combined pumping station and break pressure tank

Meetings have been held with landowners regarding the 4 above ground plant sites to discuss requirements and location for the sites. We plan to enter into commercial discussions in Q1 2025 to seek voluntary agreement options where possible, ahead of submission of our DCO application.

General land engagement

There has been extensive engagement with interested parties over the last 2-3 years, principally in relation to access for surveys but also to discuss concerns raised in relation to the project.

Our engagement has been guided by the solution design (detailed in chapter 2 of the Gate Three submission).

- 57% of landowners are represented by an agent.
 - In Q4 2023 meetings were offered to the 124 landowner interests identified as being directly impacted by construction of the project resulting in meetings with 35 of them.
 - 4,466 Land Information Questionnaires were issued in Q1 2024 with a 42% response rate.

- Heads of Terms for securing options for rights in land will be issued from Q1 2025 to seek voluntary agreements where possible ahead of the submission of the DCO.

Updates to the information provided here and in our Gate Three submission will be provided as part of our Gate Four submission, with evidence of progress being the submission of the DCO application and cross-referencing of relevant deliverables as part of that application. Key updates will be provided to RAPID in Checkpoints in the interim.

Key land and planning risks

See Response HAM006

Notes:

- The level of detail provided within our Gate Three submission was designed to fit the template provided in both length and content, intentionally moving away from the comprehensive detail provided at Gate Two to provide a high level summary of work undertaken to demonstrate progress and outline next steps. The planning and land elements were consistent with that approach.
- Our approach to the Gate Three submission was in line with the ACWG principles developed with RAPID for Gate Three and included the feedback that confirmed we had provided far too much detail in Gates One and Two, when compared against other SRO submissions, hence aligning strictly to the information expressly sought in the guidance, or “exam questions”. Our approach was discussed and agreed with RAPID in Checkpoints, in addition to sharing working drafts of submission chapters prior to the informal submission.

Date of response to RAPID	25/10/24
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