Drought Plan 2022
Annex 8: Habitats Regulations Assessment

Non-Technical Summary

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from Southern Water

Contents

Introduction

Under the Water Industry Act 1991 (as amended), Southern Water Services (Southern Water) is required to prepare and update a Drought Plan every five years. The Drought Plan provides a comprehensive statement of the actions Southern Water will consider implementing during drought conditions to safeguard essential water supplies to customers and minimise environmental impact. It is consistent with Southern Water's Water Resources Management Plan (WRMP), the objective of which is to set the strategic plan for the delivery of water resources to balance supply and demand over the coming decades.

Drought Plans include a range of drought management measures that will only be implemented if certain conditions arise during a particular drought event. Each drought event is different in terms of its severity, season, location and duration and each combination of these factors may require a different response in terms of the measures to be implemented. In the context of drought planning, individual drought management options are taken to constitute alternatives. Southern Water's final Drought Plan comprises a range of demand management measures and options for temporarily augmenting water supplies, including applying for Drought Permits and Drought Orders to increase the availability of water supplies.

As an integral part of developing its final draft Drought Plan, Southern Water has carried out a Habitats Regulations Assessment (HRA) to assess the potential implications of the Plan on nationally and internationally important nature conservation sites:

- Special Areas of Conservation or SAC
- Special Protection Areas or SPA
- Ramsar sites.

For the purposes of this summary report, all sites designated under these laws are referred to collectively as "European sites" (noting that the Ramsar Convention reflects international rather than exclusively European sites).

It is important to stress that the detailed environmental assessments submitted as part of an application for a drought order or drought permit may not be entirely consistent with the plan level assessments. This is because the Environmental Assessment Reports (EARs) and Habitats Regulations Assessments (HRAs) are live documents. Should there be a need to make an application Southern Water will update these using the latest information available and, if making more than one application, Southern Water will also update the relevant in-combination assessments. After the drought, as part of the lessons learned process, any appropriate updates to the plan level assessments will be made.

The majority of this report remains the same as in the HRA consulted on in 2021 but with selected updates to address issues raised by our environmental regulators. The main focus of this update was to include in-combination effects of drought permits and orders for the Test, Itchen and Isle of Wight. Further updates were made following the letter we received from Defra in August 2024. These updates relate to the rivers Test and Itchen.

Requirement for Habitats Regulations assessment

The Conservation of Habitats and Species Regulations 2017 (Amended) require that any plan or project which is likely to have a significant effect on a European site (either alone or in-combination with other plans or projects) and is not directly connected with, or necessary for the management of the site, must be subject to an HRA to determine the implications for the site in view of its conservation objectives. For the purposes of this summary report, these regulations are referred to as the "Habitats Regulations".

The UK left the EU on 31 January 2020 under the terms set out in the European Union (Withdrawal Agreement) Act 2020 ("the Withdrawal Act"). The Withdrawal Act retains the body of existing EU-derived law within our domestic law. The most recent amendments to the Habitats Regulations – the Conservation of Habitats and Species (Amendment) (EU Exit) Regulations 2019 – make it clear that the need for HRA continues even after departure from the EU.

Responsibility for undertaking the Habitats Regulations Assessment lies with Southern Water as the Plan making authority. The Environment Agency's Drought Plan Guidance[1] specifies that a water company must ensure that its Drought Plan meets the requirements of the Habitats Regulations. The Environment Agency's 2015 Drought Plan Guidance advises companies to consult the UK Water Industry Research (UKWIR) report 'Strategic Environmental Assessment and Habitat Regulations Assessment - Guidance for Water Resources Management Plans and Drought Plans'[2] in preparing its HRA. The UKWIR report recommends that all drought plans should be subject to the first stage of HRA, i.e. screening for potential Likely Significant Effects on European designated sites. Southern Water has followed this guidance, along with HRA best practice guidance for the appraisal of plans[3], in preparing its HRA of the final Drought Plan. In line with case law, it is not permissible to take mitigation measures into account in the first stage of HRA known as the test of Likely Significant Effects.

Consultation

Since many of the drought management measures contained within the Drought Plan 2022 were previously included in the adopted Drought Plan 2019, this HRA uses the final HRA for Drought Plan 2019 as a basis and updates it where necessary to reflect changes in options, baseline information or legislation and guidance.

Natural England and the Environment Agency were informally consulted on the draft methodology for the HRA of the draft Drought Plan 2019 in August 2016. Natural England was informally consulted with on the initial outputs of the screening process in December 2016, with further informal consultation with Natural England and the Environment Agency on the HRA during January to March 2017. Comments received from both Natural England and the

[1] Environment Agency (2020) Water Company Drought Plan guideline, April 2020
[2] UKWIR (2012) Strategic Environmental Assessment and Habitats Regulations Assessments - Guidance for Water Resources Management Plans and Drought Plans (WR/02/A).
[3] Tyldesley, D. & Chapman, C. (2021) The Habitats Regulations Assessment Handbook. DTA Publications.

Environment Agency were taken into account in preparing the HRA Report for the draft Drought Plan 2019.

Prior to adoption of Drought Plan 2019 the HRA Report was updated to reflect representations made by Natural England and the Environment Agency during the consultation on Southern Water's draft Drought Plan as well as the agreements reached through the Hampshire Abstraction Licences Public Inquiry process in March-April 2018. This included a Section 20 Agreement being signed between Southern Water and the Environment Agency in relation to the Test Surface Water Drought Permit and Drought Order, Candover Augmentation Scheme Drought Order and the Lower Itchen sources Drought Order. The Section 20 Agreement includes various provisions pertaining to the HRA as discussed further in this report. The HRA also included an Appropriate Assessment of the Darwell Drought Order, reflecting the outcome of discussions held with the Environment Agency and Natural England in November 2018. The analysis underlying these orders and schemes has been retained in this Drought Plan 2022 HRA where appropriate and relevant.

Consultation meetings were held with both Natural England and the Environment Agency regarding the methodologies to be used in the Drought Plan 2019 assessments (August and September 2016 respectively), the screening for each of the assessments (November 2016 – February 2017) and to discuss queries or issues on draft versions of the EARs (March – April 2017). Subsequent meetings were held with Natural England and the Environment Agency in May 2018 to discuss their representations on the draft Drought Plan and how these would be addressed in the revised draft Drought Plan. Further discussions were held with Natural England following submission of the revised draft Drought Plan (June 2018) in updating the EARs and outputs from these discussions, including non-statutory advice provided by Natural England, were incorporated into the HRA Annex for the adopted Drought Plan 2019. These discussions focused on the following drought permit or order options: Lower Itchen sources; Candover; Caul Bourne; Eastern Yar; and Darwell.

For the Drought Plan 2022 HRA specifically, Natural England was notified by email (01/02/21) of the proposed approach to be undertaken for the 2022 HRA, involving retaining the majority of the analysis from the agreed Drought Plan 2019 HRA where still relevant and only making targeted updates to address changes to guidance, legislation and the evidence base.

Following the submission of a revised draft drought plan and second addendum to our statement of response in September 2022 several issues outlined by the Environment Agency and Natural England remained. Subsequently further HRAs for individual drought permits and orders has been undertaken during 2023. Information from these HRAs has been incorporated into this plan to determine the in-combination effects for the following 3 sites: River Test, River Itchen and Isle of Wight. The Solent and Dorset Coast SPA has been included in the Appropriate Assessments where applicable, along with several additional European Designated Sites where appropriate.

We continue working with Natural England to incorporate current understanding of designated sites into this HRA and will ensure that once other HRA updates are finalised and agreed these will be included into our drought planning.

HRA approach

The Habitats Regulations and associated national HRA guidance require that a staged assessment approach is followed for the HRA. Progression through each stage is dependent on the findings of the assessment in the preceding stage.

- **Stage 1 - HRA screening:** identified whether each drought management measure (either alone or in combination with other measures or other plans or projects) is likely to have significant effects on European designated sites. Screening assessments were based on a rigorous application of the precautionary principle: where uncertainty or doubt remained as to whether an adverse impact may arise, the measure was taken forward to Stage 2 (Appropriate Assessment). The screening stage included assessment of any cumulative, in-combination effects that might result from the concurrent implementation of different drought management measures within the plan itself, or in-combination with other plans, activities and projects. The screening decisions do not take account of any mitigation measures in line with case law.

- **Stage 2 - Appropriate Assessment:** where a likely significant effect could not be ruled out at the screening stage (and noting the precautionary principle), the drought management measure was further reviewed to determine whether it should continue to be included in the final Drought Plan or be rejected where feasible. Where it was decided that the measure needed to be retained to help safeguard essential water supplies in a severe drought, an Appropriate Assessment has been undertaken of the measure to determine whether it could adversely affect the integrity of the European site(s), either alone or in combination with other plans and projects, taking into account available mitigation measures.

- **Stage 3 – Consideration of alternative options** where an adverse effect on the integrity of a European site could not be ruled out, adopting the precautionary principle, at the Appropriate Assessment stage, Southern Water carefully considered whether the measure should be rejected from the final Drought Plan if it was feasible to do so without comprising the ability of the plan to meet its primary objective of ensuring essential water supplies can be maintained to customers in severe drought conditions. For the measure to be retained in the plan, Southern Water has had to demonstrate that there are no viable, reasonable alternative options as part of the Stage 3 assessment.

- **Stage 4 – Demonstration of Imperative Reasons of Overriding Public Interest and compensation measures:** this final stage of the HRA process comprises an assessment of necessary compensatory measures for the adverse effect identified in the Appropriate Assessment, subject to a prior assessment of whether there are Imperative Reasons of Overriding Public Interest (IROPI) for the particular measure to be included in the final Drought Plan (the over-riding public interest case will need to be agreed and confirmed by the Secretary of State).

Summary findings from the HRA of the final Drought Plan

Demand management options – Stage 1 screening

The demand management options in the final Drought Plan were screened out at Stage 1 due to no likely significant effects on any European site being identified in relation to their implementation, either alone or in combination with any other measure or relevant programme or plan.

Supply augmentation options – Stage 1 screening

The conclusions of the HRA Stage 1 screening assessment for each supply augmentation option are shown in Tables below. Table 1 covers options that do not require a Drought Permit or Drought Order and Table 2 summarises the screening assessments for the Drought Permits and Drought Order options and indicates which options require a Stage 2 Appropriate Assessment. The full details of the assessment are provided in the HRA report.

At Stage 1 it was concluded that, adopting a precautionary principle, it was not possible to rule out likely significant effects on a European site and Stage 2 Appropriate Assessments were required to assess the implications of the option on the site's conservation objectives and understand whether the site's integrity could be affected.

- Lower Itchen sources Drought Order: River Itchen SAC, Solent Maritime SAC, Solent and Southampton Water SPA and Ramsar site.
- Candover Augmentation Scheme Drought Order: River Itchen SAC, Solent Maritime SAC, Solent and Southampton Water SPA and Ramsar site.
- River Test Surface Water: River Itchen SAC, Solent and Dorset SPA, Solent Maritime SAC, Solent and Southampton Water SPA and Ramsar site.
- Caul Bourne Drought Permit: Solent Maritime SAC, Solent and Southampton Water SPA and Ramsar site
- Eastern Yar augmentation scheme Drought Permit: Solent Maritime SAC, Solent and Southampton Water SPA and Ramsar site.
- Pulborough Surface Water: Arun Valley SAC, Arun Valley SPA and Ramsar, Ebernoe Common SAC, Singleton and Cocking Tunnels SAC and The Mens SAC.
- Darwell Drought Permits: Dungeness, Romney Marsh and Rye Bay SPA and Ramsar site, and Dungeness SAC.
- River Medway: Medway Estuary and Marshes SPA and Ramsar

"Solent Maritime SAC, Solent and Southampton Water SPA and Ramsar" added to Lower Itchen and Candover as require a Stage 2 appropriate assessment.

Supply augmentation options – Stage 1 screening: Potential in-combination effects

The Stage 1 screening process also includes an assessment to determine the potential risk of cumulative, or in-combination, likely significant effects on European sites between supply augmentation options for the final Drought Plan, this is summarised in Table 3.

The options listed in Table 3 requiring a Stage 2 Appropriate Assessment for potential cumulative, in-combination effects were identified as:

- The Test, Itchen and Isle of Wight in-combination assessment including: Lukely Brook, Caul Bourne, Eastern Yar (Blackwater), Candover, Lower Itchen and Test: Solent Maritime SAC, Solent and Southampton Water SPA, Solent and Southampton Water Ramsar and Solent and Dorset SPA

- Candover Augmentation Scheme and Lower Itchen Sources Drought Orders: River Itchen SAC, Solent Maritime SAC, Solent and Southampton Water SPA, Solent and Southampton Water Ramsar

- Lukely Brook, Caul Bourne, Eastern Yar (Blackwater): Briddlesford Copse SAC, Solent Maritime SAC, Solent and Southampton Water SPA, Solent and Southampton Water Ramsar and Solent and Dorset SPA

Amended list of in-combination effects and associated European sites.

Potential risks of cumulative, in-combination likely significant effects between the supply augmentation options included in the final Drought Plan and the following activities, plans and projects has also been assessed as part of the HRA screening process:

- Southern Water's WRMP 2019
- Other currently published water company 2019 WRMPs and drought plans:
  - Affinity Water South East
  - Bournemouth Water (part of South West Water)
  - Cholderton and District Water
  - Portsmouth Water
  - South East Water
  - SES Water
  - Thames Water
  - Wessex Water
- Environment Agency National Drought Action Plan
- River Basin Management Plans – Thames River Basin District and South East River Basin District
- Canal & Rivers Trust *Putting Water into Waterways* Water Resources Strategy 2015-2020
- Lower Tidal River Arun Flood Management Strategy
- River Medway Flood Storage Areas project

- Medway Estuary and Swale Shoreline Management Plan

The conclusion of this screening assessment was that there are **no likely cumulative, in-combination significant effects** on European sites between any of the drought management measures in Southern Water's Drought Plan 2022 and the above plans and projects.

Table 1 HRA screening assessment of supply augmentation options not requiring a Drought Permit or Drought Order

Supply Augmentation Option	Assessment of Likely Significant Effect (LSE) and Potential for Alteration of Measure to Avoid Effects	Further HRA Assessment Required?
Tankering of water	No LSEs to any designated sites are anticipated. Abstractions to support tankering would be from existing sources and within existing abstraction licence conditions that have previously been reviewed as part of the Environment Agency's Review of Consents process and determined not to have any likely significant effects on European sites.	No
Additional import from Portsmouth Water to Hampshire Southampton East and Sussex North Water Resource Zone	No LSEs to any designated sites anticipated as abstractions to support these imports is from existing sources and within existing abstraction licence conditions that have previously been reviewed as part of the Environment Agency's Review of Consents process and determined not to have any likely significant effects on European sites. Note: The Lower Itchen drought order comprises the combined measures to temporarily reduce the hands-off flow conditions at Riverside Park gauging station for the Portsmouth Water bulk supply import to Hampshire Southampton East at the same time as a reduction to the Southern Water Lower Itchen sources hands-off flow condition.	No
Changes to Existing Operations:		
Rest groundwater sources – Isle of Wight	As this is an operational change within existing licences and no construction activities are required to implement, no LSEs to any designated sites are anticipated.	No
Rest groundwater sources – Sussex Worthing	As this is an operational change within existing licences and require no construction activities to implement, no LSEs to any designated sites are anticipated.	No
Rest Weir Wood reservoir	As this is an operational change within existing licences and no construction works are required to implement, no LSEs to any designated sites are anticipated.	No

Table 2 HRA Stage 1 screening assessment of Drought Permit and Drought Order options

European Designated Sites		Drought Order/Permits										
		Western area						Central area			Eastern area	
		Lukely Brook	Caul Bourne	Eastern Yar Augmentation Scheme	Test Surface Water#	Candover Augmentation Scheme	Lower Itchen Sources	Pulborough (Surface water)*	Weir Wood	North Arundel	Darwell	River Medway Scheme
Arun Valley	SAC											
	SPA											
	Ramsar											
Ashdown Forest	SAC											
	SPA											
Briddlesford Copse SAC												
Dungeness SAC												
Dungeness, Romney Marsh and Rye Bay	SPA											
	Ramsar											
Ebernoe Common SAC												
Emer Bog SAC												
Isle of Wight Downs SAC												
Medway Estuary and Marshes	SPA											
	Ramsar											
Mottisfont Bats SAC												
Peter's Pit SAC												
River Itchen SAC												
Singleton and Cocking Tunnels SAC												
Solent and Dorset Coast SPA												
Solent and Southampton Water	SPA											
	Ramsar											

European Designated Sites		Drought Order/Permits										
		Western area						Central area			Eastern area	
		Lukely Brook	Caul Bourne	Eastern Yar Augmentation Scheme	Test Surface Water#	Candover Augmentation Scheme	Lower Itchen Sources	Pulborough (Surface water)*	Weir Wood	North Arundel	Darwell	River Medway Scheme
Solent Maritime SAC												
Stodmarsh	SAC											
	SPA											
	Ramsar											
South Wight Maritime	SAC											
Thames Estuary and Marshes	SPA											
	Ramsar											
Thanet Coast and Sandwich Bay	SPA											
	Ramsar											
Sandwich Bay SAC												
Thanet Coast SAC												
The Mens SAC												
The Swale	SPA											
	Ramsar											
The Swale Estuary Marine Conservation Zone												

We have removed the Sandwich and Faversham drought permits from this table. We have done this because we have recently varied these abstraction licences so that drought permits are no longer required (because the proposed changes to be implemented under drought permits have now been incorporated into the licences). Therefore, these drought permits are no longer included as potential options in the drought plan.

* LSE of Pulborough surface water drought permit/ order has been updated to reflect 2023 site specific HRA.

Key:

No proximity or linkage between Drought Permit/Order with the European site

No Likely Significant Effects determined from 2023 HRAs

Stage 2 Appropriate Assessment required

Table 3 HRA Stage 1 screening decisions for in-combination likely significant effects of supply augmentation options

Drought Management Measure	In-combination With	European Site	In-Combination likely significant effects?
River Medway Scheme	Weir Wood Reservoir	Medway Estuary and Marshes SPA and Ramsar	No
		Peter's Pit SAC	No
		Thames Estuary and Marshes SPA and Ramsar	No
North Arundel WSW	East Worthing WSW	None	No
North Arundel WSW	Pulborough Surface water	Arun Valley SAC, SPA and Ramsar	No
Lukely Brook, Caul Bourne, Eastern Yar (Blackwater), Candover, Lower Itchen and Test		Solent Maritime SAC, Solent and Southampton Water SPA, Solent and Southampton Water Ramsar and Solent and Dorset SPA	Yes
Candover Augmentation Scheme	Lower Itchen sources	River Itchen SAC	Yes
		Solent Maritime SAC	Yes
		Solent and Southampton Water SPA and Ramsar	Yes
Lower Itchen sources	Candover and Test	River Itchen SAC	Yes
		Solent Maritime SAC	Yes
		Solent and Southampton Water SPA and Ramsar	Yes
Test Surface Water Drought Permit and Drought Order*	Lower Itchen sources	River Itchen SAC	No
Lukely Brook	Caul Bourne, Eastern Yar River Medina at Blackwater	Briddlesford Copse SAC	No
		Solent Maritime SAC and Solent and Southampton Water SPA and Ramsar	No

Drought Management Measure	In-combination With	European Site	In-Combination likely significant effects?
Caul Bourne	Lukely Brook, Eastern Yar River Medina at Blackwater,	Solent Maritime SAC and Solent and Southampton Water SPA and Ramsar	Yes
Eastern Yar augmentation, River Medina at Blackwater	Lukely Brook and Caul Bourne	Solent Maritime SAC and Solent and Southampton Water SPA and Ramsar	Yes

**No in-combination assessment necessary as River Test is first permit to be used before other are introduced. Any in-combination assessments are undertaken via the other sources. For example, the in-combination assessment for the Lower Itchen drought options with the River Test permit is shown in the row above the Test surface water row.*

Table 4 summarises the overall conclusions of the Stage 1 screening assessment of supply augmentation measures. It highlights those drought management measures that required further Stage 2 Appropriate Assessment, either alone or in-combination with other drought management measures.

Table 4 has been updated to reflect the outcomes of the recent individual HRAs. We have removed the Sandwich and Faversham drought permits from this table. We have done this because we have recently varied these abstraction licences so that there would no longer be a benefit from these drought permits.

Following the Stage 2 Appropriate Assessment it was concluded that with the provision of mitigations measures then all of the supply augmentation measures required no further Stage 3 and Stage 4 assessment, with the exception of the Lower Itchen and Candover as described below.

Table 4 HRA screening assessment conclusions for supply augmentation measures

Drought Management Measure	Likely significant effect on European site(s) alone?	Likely significant effect in combination with other Southern Water drought management options?	Likely significant effect in combination with other WRMPs and drought plans?	Stage 2 Appropriate Assessment (AA) required?
Tankering of water	No	No	No	No
Additional import from Portsmouth Water	No	No	No	No
Rest groundwater sources – Isle of Wight	No	No	No	No
Rest groundwater sources – Sussex Worthing	No	No	No	No
Rest Weir Wood reservoir	No	No	No	No

Drought Management Measure	Likely significant effect on European site(s) alone?	Likely significant effect in combination with other Southern Water drought management options?	Likely significant effect in combination with other WRMPs and drought plans?	Stage 2 Appropriate Assessment (AA) required?
Lukely Brook	No	No	No	No
Caul Bourne	Yes	Yes	No	Yes
Eastern Yar Augmentation Scheme	Yes	Yes	No	Yes
Test Surface Water Drought Permit and Drought Order	Yes	*No	No	**Yes
Candover Augmentation Scheme	Yes	Yes	No	Yes
Lower Itchen Sources	Yes	Yes	No	Yes
Pulborough	Yes	No	No	Yes
***Weir Wood	No	No	No	No
***East Worthing	No	No	No	No
***North Arundel	No	No	No	No
River Medway Scheme	Yes	No	No	Yes
Darwell Reservoir	Yes	No	No	Yes

**No in-combination assessment necessary as River Test is first permit to be used before other are introduced. Any in-combination assessments are undertaken via the other sources.*

*** the LSE for Test Surface Water has been included as a reflection of recent drought permit and order applications.*

*** awaiting individual HRA updates to be completed

Supply augmentation options – Stage 2 appropriate assessment

Appropriate Assessments, either alone or in-combination with other drought management measures, have been carried out and a summary of the conclusions, taking account of mitigation measures, are provided in Table 5.

As shown in Table 5, the Appropriate Assessments of the Candover Augmentation Scheme and Lower Itchen sources Drought Orders were unable to conclude that there would be no adverse effects on the integrity of the River Itchen SAC during severe drought conditions. This conclusion reflects uncertainties in the available evidence as to the precise magnitude and duration of the effects on certain designated features of the SAC. These conclusions informed the Section 20 Agreement signed between Southern Water and the Environment Agency in March 2018 as part of the Hampshire Abstraction Licences Public Inquiry held in March 2018.

In-combination adverse effects on European site integrity have been identified only in relation to the Candover Augmentation Scheme and the Lower Itchen sources Drought Order if implemented concurrently.

Table 5 HRA Appropriate Assessment conclusions following consideration of mitigation measures

Drought Management Measure**	Adverse Effect on integrity of European site(s) alone?	Adverse effect on integrity in combination with other Southern Water drought management options?
Lukely Brook	No	No
Caul Bourne	No	No
Eastern Yar Augmentation Scheme	No	No
River Test Surface Water Drought Permit and Drought Order	***	***
Candover Augmentation Scheme	Yes	Yes
Lower Itchen Sources	Yes	Yes
Pulborough (Surface water)	No	No
*Weir Wood	No	No
*East Worthing	No	No
*North Arundel	No	No
River Medway Scheme	No	No
Darwell Reservoir	No	No

*Awaiting to have HRA updated after 2023

** We have removed the Sandwich and Faversham drought permits from this table. We have done this because we have recently varied these abstraction licences so that there would no longer be a benefit from these drought permits. We have also removed Shalcombe from this table as it is a mothballed source.

*** *We discuss the status of the River Test project level HRA in more detail below*.

In view of the current and forecast short-term (to 2027) supply-demand deficit in the Hampshire Southampton East WRZ in severe drought conditions as set out in the WRMP19, Southern Water is not able to remove these two Drought Orders from the Drought Plan 2022. If these two Drought Orders were excluded from the Drought Plan 2022, there would be an increased risk of requiring an application to the Secretary of State for an Emergency Drought Order to authorise the rationing of water supplies using rota cuts or standpipes in a drought severity of greater than 1 in 200 years. It is not considered acceptable to plan for an emergency drought order for drought events at or less than in a 1 in 500-year severity given the major public health and safety issues, as well as social and economic impacts, arising from implementation of an Emergency Drought Order.

There is no guarantee that any of the potential drought permits or orders included in Table 5 will be needed and if so, would be granted, and each application we make would need to be assessed by the Environment Agency, Natural England and Defra (as appropriate). Such applications would be accompanied by a project level HRA.

It is therefore important to distinguish between the adoption of a drought plan and implementation of the individual drought options (drought permits and drought orders) contained within a drought plan in this context. Many finalised water company drought plans include options that, if implemented, could potentially affect a European site. These plans have been adopted on the basis that, should those options ever be needed, the project level HRA would assess any impacts in the context of conditions prevailing at that time. This means that the latest hydrological and ecological data could be used, any proposed mitigation considered, and the expected duration and extent of the additional abstraction taken into account.

The July 2024 project level HRA Appropriate Assessment (AA) for the River Test Drought Permit concluded that there was no likely significant effect for all European sites except for the River Itchen SAC. It found that for "*the River Itchen SAC, the assessment concludes that adverse effect on integrity cannot be excluded with certainty, at this juncture, with the various mitigation measures, as proposed. Further discussion with the EA on the mitigation measures is welcomed to progress this assessment*."

These ongoing discussions with regulators relating to the River Test surface water drought permit project level HRA indicated that the EA did not consider the mitigation proposed to be sufficient to prevent any potential adverse effects. Adopting the precautionary principle in relation to what may be functionally linked habitat, we have decided that this project level HRA will now progress to stage 3 and, if required, stage 4 of the HRA process. We wrote to the EA on 21 November 2024 to confirm this decision. This is part of the 'application ready' principles that we adhere to should such a drought option be needed in the future.

This process will need to be finalised before any River Test Drought Permit can be granted and implemented. We are currently expecting to conclude this process by summer 2025 and set out an indicative timeline for the process in table 4-7 of the main drought plan report. We shared this indicative timeline with the EA in December 2024. We will update the EA on the latest position with the project level HRA via the annual review process however we do not expect this ongoing process with the project level HRA to impact upon the finalisation of this drought plan.

When an HRA cannot conclude that a required option will have no adverse effect on the integrity of a European site, and mitigation is not possible, Article 6(4) of the Habitats Directive provides for a derogation process which would allow a plan or project to be approved in limited circumstances and subject to meeting three **sequential** tests:

- There must be no feasible alternative solutions to the plan or project which are less damaging to the affected European site(s)
- There must be "imperative reasons of overriding public interest" (IROPI) for the plan or project to proceed
- All necessary compensatory measures can be "secured" to ensure that the overall coherence of the network of European sites is protected.

These sequential tests form Stages 3 and 4 of the HRA process. The following sections discuss this process specifically in how it was applied following the signing of the Section 20 Agreement in 2018.

Supply augmentation options – Stage 3 consideration of alternative options

In accordance with Article 6(4) of the Habitats Directive, Stage 3 of the HRA process requires the consideration of **feasible** and reasonable alternative options which may negate or mitigate the need for the Lower Itchen sources Drought Order. The consideration of alternatives can be limited to options which are financially, legally and technically feasible.

Various drought plan measures would be implemented by Southern Water to help maintain essential water supplies to the Hampshire Southampton East WRZ in severe drought conditions (beyond "normal" operational measures) in advance of implementing the Candover Augmentation Scheme Drought Order or the Lower Itchen sources Drought Order. These measures and their order of implementation are summarised in Table 6. Many of these measures are specifically included in the Section 20 Agreement which sets out the sequencing and actions to be taken in advance of implementing these two Drought Orders.

Table 6 Drought Plan measures that would be in place prior to implementation of the Candover Augmentation Scheme and Lower Itchen sources Drought Order in the Hampshire Southampton East WRZ

Measures that would be in place in advance of the Candover Augmentation Scheme Drought Order or Lower Itchen sources Drought Order	
1. Utilisation of Southern Water sources and existing bulk supplies	Maximise use of all available sources within abstraction licence, regulatory and operational constraints
	Maximise Portsmouth Water treated water bulk supply to the WRZ (15Ml/d)
2. Level 1 Water Use Restrictions and demand management measures	Escalate demand-side water efficiency measures including media campaigns to encourage water efficiency and to raise awareness of the impending drought
	Initiate discussions with local authorities regarding watering regimes for public parks and gardens
	Increase leakage monitoring and repair activity
	Mains pressure reduction activities to help reduce leakage and peak demand consumption

3a. Level 2 Water Use Restrictions and demand management measures	Implement Temporary Use Ban - Phase 1 (unless it is agreed with the Environment Agency that it is unnecessary because it will only result in minimal savings)
	Enhanced media campaign to publicise water use restrictions and further encourage water savings
3b. Maximise transfers from Hampshire Rural WRZ	Transfer ~0.5Ml/d from Hampshire Rural WRZ
4. Test Surface Water Drought Permit	Implement Test Surface Water Drought Permit to help continue maximising treated water transfers from Hampshire Southampton West WRZ to Hampshire Southampton East WRZ
5. Level 3 Water Use Restrictions	Apply for a Drought Order to authorise partial (Phase 1) non-essential water use restrictions

Once the measures set out in Table 6 have been implemented, Southern Water will consider which Drought Orders are to be implemented to maintain supplies to the Hampshire Southampton East WRZ. In line with the drought plan principles of minimising the effects of drought management measures on the environment, Annex 1 to the Section 20 Agreement confirms that Southern Water will take into account ecological considerations when deciding the order of implementation of the Test Surface Water, Candover Augmentation Scheme and Lower Itchen sources Drought Orders. In particular, the potential vulnerability of fish seasonally because of their migration patterns will be considered. Southern Water will liaise with the Environment Agency using the most up-to-date monitoring information on macrophytes and invertebrates and having regard to its statutory supply duties, available sources and other statutory obligations (including those of the Habitats Directive), to agree which course of action is the most appropriate at that time.

The Level 3 Temporary Use Ban Phase 2 water use restrictions and Phase 1 and Phase 2 of the Non-Essential Use Ban Drought Order (subject to Secretary of State approval) would be implemented when river flows fall below 200 Ml/d at Allbrook & Highbridge, as set out in Annex 1 of the Section 20 Agreement.

With all reasonable alternative options maximised to reduce demand on the River Itchen sources or to support the Hampshire Southampton East Water Resource Zone, the Candover Augmentation Scheme Drought Order[4] would be implemented ahead of the Lower Itchen sources Drought Order.

We have considered other alternative options to the Candover Augmentation Scheme and Lower Itchen sources Drought Orders but these were rejected as summarised below. In considering these other feasible alternative options, the option needed to be capable of further reducing demand for water or delivering some, or all, of the potential supply deficit that could arise in a severe drought in the Hampshire Southampton East Water Resource Zone.

1. “Do nothing” option – this has been rejected as it is not an acceptable alternative solution since it fails to meet the objective stated above and would lead to the implementation of an Emergency Drought Order to ration water supplies through use of standpipes and/or rota cuts.

2. There is one option that was discounted on the basis that it is likely to have an equal or greater impact on the site integrity and features of a designated European site when

[4] As we describe in section 3.3.8 of the drought plan main report, the Candover scheme is not currently operational. Until it is available, the Lower Itchen Drought Order would be used alone and not concurrently with the Candover scheme.

compared to the Lower Itchen sources Drought Order. It is a Drought Order for temporary abstraction from alternative groundwater or surface water locations within the Lower River Itchen catchment (with construction of temporary pipelines to Southern Water treatment facilities)

3. Options discounted due to the timescales required for implementation are set out in Table 7 below. These include options where the expected timescale for implementation is (a) beyond the lifetime of the 5-year Drought Plan and/or (b) cannot be delivered in the timeframe of a drought once drought conditions have become apparent. Timescales have been investigated as part of the development of the Southern Water WRMP19.

Table 7 Alternative options rejected due to the timescales required for implementation

Alternative options where timescales constrain implementation	Reason for rejection
Permanent desalination plant to meet deficit in severe drought	Planning, design and development timescales are beyond 2023
Additional bulk water imports from neighbouring water companies	Discussions with neighbouring companies, including through the Water Resources South East group, indicate that no additional bulk supplies are available before 2023
Additional abstraction from the River Test under a second Drought Order with a pipeline to the Lower Itchen Water Supply Works	This option could not be delivered during a drought under Drought Order powers as the timescales required for construction are too long. In addition, there is unlikely to be sufficient water available to meet demand on the Itchen.
Engineering works to develop new water sources	Planning, design and development timescales are beyond 2023
Indirect wastewater recycling	Planning, design and development timescales are beyond 2023

4. Options discounted as being unfeasible are set out in Table 8, including a lack of reliable available supplies in drought conditions, regulatory constraints, engineering feasibility and/or physical operational constraints.

Table 8 Alternative options rejected as infeasible

Alternative Options assessed as infeasible	Reason for rejection
Reduce supplies to the Isle of Wight from the mainland to enable increased support from the Hampshire Southampton West WRZ to Hampshire Southampton East WRZ	No spare water available on Isle of Wight in a severe drought even with Drought Orders in place to increase abstraction.
Construction of new satellite boreholes at existing licensed boreholes	Reliable supplies from the existing boreholes that could support the Hampshire Southampton East WRZ are constrained by the abstraction licence limits and therefore development of satellite boreholes would not result in any increase in water supply availability.
Temporary desalination plant to supply Southampton East WRZ	Operationally infeasible due to the logistics of getting treated water from the desalination plant in Southampton Water to the Southampton East water supply network via Southampton Common service reservoir.
Water tankering	The supply deficit of 33Ml/d cannot be met by water tankering. A practical upper maximum of ~3.5Ml/d might be feasible for the WRZ.

5. There was one option assessed as having an unacceptable impact and that therefore should not reasonably be considered as alternative options. It is an Emergency Drought Order to ration water supplies through the use of rota cuts and/or standpipes. It is considered unacceptable and unreasonable to implement an Emergency Drought Order in advance of the Candover Augmentation Scheme and Lower Itchen sources Drought Orders given the public health and safety, social and economic impacts that would arise as a consequence of water rationing.

The HRA has therefore concluded that there are **no other feasible and acceptable alternative options** which may negate or mitigate the need for the Candover Augmentation Scheme and Lower Itchen sources Drought Orders during the lifetime of the Drought Plan 2022.

Supply augmentation options – Stage 4 demonstration of imperative reasons of overriding public interest and compensation measures

Imperative Reasons of Overriding Public Interest

Best practice guidance[5] recommends that if there are no alternative solutions and if, in exceptional circumstances, it is proposed that a plan be adopted despite the fact that adverse effects on the integrity of a European site cannot be ruled out, the HRA needs to address and explain the Imperative Reasons of Overriding Public Interest (IROPI[6]) which the plan making authority considers to be sufficient to outweigh the adverse effects on the European site(s).

IROPI must be assessed on a case-by-case basis in light of the objective of the particular plan or project and its particular impacts on the European site(s) affected as identified in the Appropriate Assessment. For the Drought Plan 2022, the key principles that underpin the IROPI case that the Secretary of State will be asked to consider before approving the plan are set out below.

Key principles:

- Maintaining **essential** public water supplies to customers during a severe drought (up to and including a 1 in 500-year drought) without recourse to standpipes or rota cuts is of critical importance for public health and social and civil functioning and outweighs the environmental effects of the Candover Augmentation Scheme and Lower Itchen Drought Orders.

- The costs to businesses and household customers of rota cuts and standpipes outweigh the environmental effects of the Lower Itchen sources Drought Order

These two key principles support the elements of the IROPI 'test' as set out below:

- A requirement to maintain human health and public safety, as well as social and economic reasons:

[5] Tyldesley, D. & Chapman, C. (2015). The Habitats Regulations Assessment Handbook. DTA Publications. Version 4.
[6] Also refer to Annex 3 for information on IROPI

= **Imperative** – the measure is urgent due to the relatively short timescales with which river flows in the River Itchen can decline and remain below the hands-off flows at Riverside Park and Allbrook and Highbridge in a severe drought. The measure is essential as, without its implementation in severe drought, once flows in the River Itchen fall below the hands-off flow conditions, the maintenance of essential public water supplies to customers will start to fail within the Hampshire Southampton East WRZ.

= **Overriding** – the likely harm to the public and economic impact to businesses in the Southampton East WRZ outweighs the harm to the designated site. The likely harm to the public includes risks of bacteriological contamination of water supplies and risk of water-borne disease (i.e. risks to human health) and risks involved in carrying and storing water due to rota cuts or standpipes, as well as the risks posed to water supplies for fire-fighting and other safety requirements (i.e. risks to public safety) is overriding. The economic costs to businesses of rota cuts and standpipes are also unacceptable and overriding when weighed against the harm to the designated site.

= **Public interest** - the harm is to the public not to a private interest. The public and businesses (at a local level, i.e. the public and businesses living, working or operating in the Hampshire Southampton East WRZ) will benefit by not having to collect water from standpipes in the street or be subject to rota cuts, which would be likely to lead to harm to the public and businesses.

As set out in the interim abstraction scheme of the Section 20 Agreement, the Environment Agency agrees that Southern Water has a good case that it has no alternative options to its Lower Itchen sources Drought Order to maintain public water supply until it implements its long-term water resources schemes and the Environment Agency will not argue that it is unacceptable with regard to Article 6(4) of the Habitats Directive. The Environment Agency also agrees that for the period of subsequent drought plans until implementation of the long-term solution, Southern Water has a good case that it has no alternative solutions to its Candover Drought Order scheme, in order to maintain public water supply and that the Candover Drought Order scheme satisfies the test in Article 6(4) of the Habitats Directive. For the avoidance of doubt, the Environment Agency is not fettering its discretion to come to a different view if circumstances material to the question of available alternative options and IROPI under Article 6(4) of the Habitats Directive change.

Compensation measures

Having determined there is a good case for IROPI to be applied, the final test required under the Habitats Directive requires that all necessary compensatory measures are taken to ensure the “overall coherence” of the network of European sites as a whole is protected. The competent authority has a responsibility for ensuring that suitable compensation is identified, but the appropriate authority also has a role in ensuring that compensation is “secured”.

Compensatory measures must be decided on a case-by-case basis and aim to offset the negative effects caused by the Drought Order. There must also be confidence that the compensatory measures will be sufficient to offset the harm and therefore measures for which there is no reasonable expectation of success should not be considered. The compensation must be “secured” before consent can be given for a proposal to proceed. Where possible, compensation measures should be complete before the adverse effect on the European site occurs. However, in some cases, damage to European sites may necessarily occur before the compensatory measures are fully functioning.

The Appropriate Assessment of the Candover Augmentation Scheme Drought Order concluded that potential adverse effects on the following habitat feature and species could not be ruled out, as a consequence of implementing the Drought Order in very low river flow conditions:

- Rivers with floating vegetation often dominated by water-crowfoot (chalk stream habitat)
- Southern damselfly
- White-clawed crayfish

The Appropriate Assessment of the Lower Itchen sources drought order concluded that risks of potential adverse effects on the following habitat feature and species could not be ruled out as a consequence of implementing the drought order in very low river flow conditions:

- Rivers with floating vegetation often dominated by water-crowfoot (chalk stream habitat)
- Atlantic salmon
- Southern damselfly

Detailed discussions have taken place with Natural England and the Environment Agency to develop compensation packages and associated implementation timetable for each Drought Order which are included as part of Annex 4 to the Section 20 Agreement and summarised in Table 9 and Table 10. The scale and technical nature of the measures constituting the compensation package expected for the Lower Itchen and Candover Drought Orders were largely agreed in draft with the Environment Agency and Natural England at the Public Inquiry in March 2018. Agreement on the nature of the measures has been reached through further discussion with the Environment Agency and Natural England during 2018-2019, and further discussions regarding the implementation of the measures have been ongoing during 2019.

As the compensation measures involve habitat creation in the river or within the riparian area, it means they should be implemented before a drought starts developing. However, it is also recognised that the actual risk of either of the two Drought Orders being required is remote: they should only need to be implemented if a severe drought develops. It has also been agreed this is a special case of interpretation of the pertinent law and expectations; there is no precedent. Balancing all these issues, Southern Water has committed to a ten-year implementation schedule of the compensation measures package for both the Drought Orders, with periodic reviews of progress and future risks. The Environment Agency and Natural England have agreed this approach. At the time of finalising the 2019 Drought Plan, the final wording of the IROPI Compensation Package documents was being refined for final agreement and sign-off. The implementation phase will then commence.

Table 9 Compensation measures for Candover Augmentation Scheme Drought Order

Feature or Species	Compensation Measure(s)
Rivers with floating vegetation often	i) Carry out feasibility studies to determine the specific locations for the compensation measures to be implemented and secure landowner consent ii) EITHER:

Feature or Species	Compensation Measure(s)
dominated by water-crowfoot	a) Carry out chalk stream habitat restoration measures covering 6km of chalk stream habitat (or as otherwise confirmed) on the River Dun tributary of the River Test. OR b) Carry out chalk stream habitat restoration measures covering 6km of chalk stream habitat (or as otherwise confirmed) on the Wallop Brook (or equivalent location) tributary of the River Test. OR c) Carry out chalk stream habitat restoration measures covering 6km of chalk stream habitat (or as otherwise confirmed) on the Bourne Rivulet tributary of the River Test. The specific measures implemented will be determined based on the requirements of the river as well as to fully ensure the coherence of the Bern Convention Emerald Network and will be subject to further assessment.
Southern damselfly	i) Carry out feasibility studies to determine the specific locations for the compensation measures to be implemented ii) Secure management of land and any relevant water control structures adjacent (within 1km, but ideally within 500m) to, but not currently supporting, an existing Southern damselfly population in the River Test catchment, or to appropriate areas of floodplain wetland in the Meon. iii) Secure the funding for any required implementation of habitat enhancement and/or creation for the Southern damselfly. iv) Secure agreements for any planning permissions or flood risk permits or other permissions (e.g. Natural England consent). v) Create or enhance existing habitat for Southern damselfly at the sites confirmed by earlier survey and feasibility study work, covering a total of 2.5km (or as otherwise confirmed), preferably enhancing existing habitat in the Test Valley (or by species translocation), or otherwise create new habitat in the Meon Valley (through species translocation).
White-clawed crayfish	i) Maintain a captive brood stock of white-clawed crayfish specimens collected from the Candover Stream working with Bristol Zoological Gardens and the Hampshire & Isle of Wight Wildlife Trust ii) Identify and secure sites for release of white-clawed crayfish from the captive breeding programme, following implementation of any Candover Augmentation Scheme Drought Order iii) White-clawed crayfish release, following the implementation of any Candover Augmentation Scheme Drought Order.

Table 10 Compensation measures for Lower Itchen Sources Drought Order

Feature or Species	Compensation Measure (s)
Rivers with floating vegetation often dominated by water-crowfoot	i) Carry out feasibility studies to determine the specific locations for the compensation measures to be implemented and secure landowner consent ii) In the event of an application for a Lower Itchen sources Drought Order: EITHER: a) Carry out chalk stream habitat restoration measures for parts of the River Test covering 36 ha of chalk stream habitat (or as otherwise confirmed) between Wherwell and Kimbridge as identified in the Test and Itchen Restoration Strategy. OR b) Carry out chalk stream habitat restoration measures for parts of the River Meon covering 36 ha of chalk stream habitat (or as otherwise confirmed) The specific measures implemented will be determined based on the requirements of the river as well as to fully ensure the coherence of the Bern Convention Emerald Network and will be subject to further assessment.
Southern damselfly	i) Carry out surveys to confirm the extent of the habitat that may potentially be adversely affected by the Drought Order and carry out feasibility studies to determine the specific locations for the compensation measures to be implemented ii) Secure management of land and any relevant water control structures adjacent (within 1km, but ideally within 500m) to, but not currently supporting, an existing Southern damselfly population in the River Test catchment, or to appropriate areas of floodplain wetland in the Meon. iii) Secure 'in principle' agreements for any planning permissions or flood risk permits or other permissions (e.g. Natural England consent). iv) SWS to provide funding for delivery of enhancements to existing habitat (or creation of new habitat) for Southern damselfly. Delivery is likely to require work at two - four sites to provide in aggregate at an appropriate spatial extent of river habitat creation or enhancement as confirmed by earlier survey and feasibility study work, preferably enhancing existing habitat in the Test Valley (or by species translocation), or otherwise create new habitat in the Meon Valley (through species translocation).
Atlantic salmon	i) Carry out sampling and analysis of DNA of Meon Atlantic salmon to confirm they are of the same genetic strain as Atlantic salmon in the River Itchen ii) EITHER a) Deliver habitat enhancement and salmon passage easement work on the lower River Meon providing that genetic survey work identifies a sufficiently genetically similar pool of Atlantic salmon OR b) Modify structures and/or water management practices at Titchfield Haven in order to improve the attractiveness of the River Meon to Atlantic salmon migrating up Southampton Water OR c) Modify easement of Atlantic salmon passage by removing a weir in the lower Dorset River Stour. If the weir cannot be removed, provide additional Atlantic salmon habitat around the weir.

The compensatory measures proposed for the chalk stream habitat and the Southern damselfly for the Lower Itchen Sources Drought Order will be additional to those implemented for these same designated features in respect of the Candover Augmentation Scheme Drought Order Compensation Package.

The decision on IROPI compensation is for the Secretary of State. Subject to that, it is agreed between Natural England, the Environment Agency and Southern Water that, in committing to delivering the timetable of works set out in the compensation packages, Southern Water has put in place compensation that is capable of ensuring the continuity of the ecological processes essential for maintaining the overall coherence of the Bern Convention Emerald Network, sufficient so that compensation for the Lower Itchen sources Drought Order and Candover Augmentation Scheme Drought Order elements of the Drought Plan can be considered to be in compliance with the Habitats Directive for the purpose of the Drought Plan.

A monitoring programme for each of these two Drought Orders has also been agreed with Natural England and the Environment Agency and also incorporated into Annex 4 of the Section 20 Agreement. The monitoring will contribute to confirming the precise spatial scale and extent of the required compensation measures as well as confirming the suitability of relevant measures at the proposed implementation locations. Monitoring will also inform assessment of the implementation and post-implementation success of the compensation measures.

Role of the HRA in informing the development of the Final Drought Plan

The HRA process and findings have been used to inform production of the Strategic Environmental Assessment (SEA) of the final Drought Plan as well as the Environmental Assessment Reports (EARs) for each Drought Order / Permit, and vice versa. Outputs from the HRA have been used to inform the development of the final Drought Plan, in particular making decisions as to the drought management measures to be included in the plan and their sequencing in relation to the Drought Plan triggers such that those measures with the greatest risks to European sites are only implemented in a severe drought and only after other measures have been put in place.

The HRA process and finding have identified a number of potential risks to European sites with which has either led to:

- the drought management option being modified and/or additional mitigation measures being included to address these risks to ensure no adverse effects on the integrity of designated European sites

- the option being retained in the final Drought Plan and consideration of Imperative Reasons of Over-riding Public Interest being sought in accordance with the provisions of the Habitats Regulations after demonstrating there are no other feasible alternative options available in a severe drought. This has only applied to the Candover Augmentation Scheme and Lower Itchen Sources Drought Orders.

Additionally, the HRA process and findings (alongside those from the SEA and Water Framework Directive (WFD) assessments) has led to the phasing of some of the drought management measures in the final Drought Plan being modified, in particular for the Isle of

Wight. HRA of the temporary emergency desalination measures at Littlehampton was also used to determine the phasing of these measures relative to the Drought Order / Permit measures under the Severe Drought Conditions triggers taking account of the relative risks to European sites.

Conclusions

The HRA process has helped to inform decisions on the final Drought Plan, in particular the phasing of different options taking account of the risks to European sites. With the exception of two measures, the HRA has concluded that the measures contained in the final Drought Plan will have no adverse effects on the integrity of designated European sites, either alone or in-combination with other options, plans or projects.

It has not been possible to rule out adverse effects on the integrity of the River Itchen SAC from implementation of the Candover Augmentation Scheme or the Lower Itchen Sources Drought Orders.

The July 2024 project level HRA Appropriate Assessment (AA) for the River Test Drought Permit concluded that there was no likely significant effect for all European sites except for the River Itchen SAC. It found that for "*the River Itchen SAC, the assessment concludes that adverse effect on integrity cannot be excluded with certainty, at this juncture, with the various mitigation measures, as proposed. Further discussion with the EA on the mitigation measures is welcomed to progress this assessment*."

These ongoing discussions with regulators relating to the River Test surface water drought permit project level HRA indicated that the EA did not consider the mitigation proposed to be sufficient to prevent any potential adverse effects. Adopting the precautionary principle in relation to what may be functionally linked habitat, we have decided that this project level HRA will now progress to stage 3 and, if required, stage 4 of the HRA process. We wrote to the EA on 21 November 2024 to confirm this decision. This is part of the 'application ready' principles that we adhere to should such a drought option be needed in the future.

This process will need to be finalised before any River Test Drought Permit can be granted and implemented. We are currently expecting to conclude this process by summer 2025 and set out an indicative timeline for the process in table 4-7 of the main drought plan report. We shared this indicative timeline with the EA in December 2024. We will update the EA on the latest position with the project level HRA via the annual review process however we do not expect this ongoing process with the project level HRA to impact upon the finalisation of this drought plan.

No other in-combination adverse effects on the integrity of European sites have been identified for other sources providing monitoring and mitigations plans outlined at Stage 2 are implemented.

In accordance with the Habitats Regulations, a review of all feasible and reasonable alternative options to the inclusion of the Candover Augmentation Scheme and the Lower Itchen Sources Drought Orders in the final Drought Plan was carried out. This review concluded that there were no feasible or reasonable alternative options available during the lifetime of the Drought Plan (2022 to 2027).

Consequently, the HRA examined whether these two Drought Orders could be shown to be required for inclusion in the Drought Plan on the grounds of Imperative Reasons of Overriding Public Interest (IROPI). Southern Water's assessment has concluded there are substantive grounds for the Secretary of State to be able to agree that IROPI is appropriate in relation to these two Drought Orders in view of the high risk of requiring an Emergency Drought Order to

ration water supplies using rota cuts or standpipes if the Drought Orders could not be implemented in a severe drought. The major adverse effects of an Emergency Drought Order on people and businesses in the Hampshire Southampton East WRZ outweigh the effects on the River Itchen SAC.

The Environment Agency agrees that Southern Water has a good case that it has no alternative options to its Lower Itchen sources Drought Order and Candover Drought Order scheme in order to maintain public water supplies until the implementation of long-term water resource solutions.

Having determined there is a good case for IROPI to be applied, the final stage of the HRA process was to assess appropriate compensation measures to ensure the "overall coherence" of the network of European sites as a whole is protected. Compensation measures and associated implementation timetables have been discussed in detail and agreed with Natural England and the Environment Agency for both the Lower Itchen Sources Drought Order and the Candover Augmentation Scheme Drought Order.

Updated position relating to the Candover Drought Order

As at the date of publication of Drought Plan 2022 (August 2025), the Candover Augmentation Scheme is unavailable, with a revised planning application for the pipeline necessary to the operation of the scheme due to be submitted towards the end of 2026.

In order to fully assess the potential environmental effects of the Candover Augmentation Scheme being unavailable before 2027, we have committed to progress a project level HRA and accompanying EAR for the River Itchen Sources Drought Order (without Candover), and work towards this is now underway. At this stage it is only possible to provide a very high-level summary of assumed environmental implications based on information that is currently available;

1. As stated above, without the availability of the Candover Drought Order, there is an increased likelihood of a need for the Lower Itchen Sources Drought Order: where the Candover Augmentation Scheme is unavailable, the return period of flows reaching the 198 Ml/d HoF and triggering implementation of the Lower Itchen Sources Drought Order increases from 1:141 to 1:59.

2. Due to the increased risk of more frequent use, and potentially longer duration of the Lower Itchen Sources Drought Order, post drought recovery on the Itchen may be extended. However, this will depend on individual drought scenarios and a more detailed assessment and investigation in the project level HRA is needed to clarify the degree of risk and effects.

3. Conclusions as to likely significant effects of the Lower Itchen Sources Drought Order (without Candover) alone, or in-combination with the River Test Drought Permit/Order on River Itchen SAC features could change.

Following the conclusions of the Lower Itchen Sources Drought Order (without Candover) HRA, we will work with the Environment Agency and Natural England to review the Section 20 compensation package as required.