

**SHROPSHIRE COUNCIL SITE ALLOCATIONS AND
MANAGEMENT OF DEVELOPMENT (SAMDev Plan)
2006-2026**

**Statement of Common Ground
between**

Shropshire Council and Severn Trent Water Ltd

July 2014

Introduction

1. This Statement of Common Ground has been prepared jointly between Shropshire Council ('the Council') and Severn Trent Water ('STW').
2. The Statement sets out the detailed engagement and collaborative working which has been undertaken by both parties throughout the preparation of the SAMDev Plan. It also confirms ongoing areas of joint working as the Plan and associated policies are implemented, to ensure that Shropshire's growth and development is sustainable.
3. This Statement sets out the confirmed points of agreement between the Council and STW, with regard to the Shropshire Local Plan 2006-2026 (including the adopted Core Strategy and the SAMDev Plan) and supporting evidence base, which will assist the Inspector during the examination of the SAMDev Plan.

Background

4. STW have been fully and actively engaged throughout the preparation of Shropshire's Local Plan which includes both the adopted Core Strategy and the SAMDev Plan. This detailed joint working has mainly focused on the development of the evidence base to support the Plan, in the form of the Shropshire Water Cycle Study.

Core Strategy (outline Water Cycle Study)

5. STW was fully engaged in the development of a robust evidence base for the Shropshire Core Strategy. This work commenced in September 2009, when STW agreed to form a Steering Group alongside Welsh Water, United Utilities, Natural England, the Environment Agency and Shropshire Council. This Steering Group oversaw the development of an Outline Shropshire Water Cycle Study which was prepared by consultants, Halcrow. This work was completed in June 2010 to support examination of the Shropshire Core Strategy. In addition, STW provided a statement of support for the Core Strategy, which included an ongoing commitment to work closely with Shropshire Council to ensure the necessary infrastructure is in place to support the level, location and timing of development proposed.
6. The Core Strategy was examined and found sound by an independent examiner and formally adopted by Shropshire Council on 24 February 2011.

SAMDev Plan (updated Water Cycle Study)

7. Following adoption of the Core Strategy and commencement of work to prepare the SAMDev Plan, the Council agreed with the Environment Agency and water companies to undertake an update to the original outline Water Cycle Study.
8. Whilst some of the conclusions within the original Outline Water Cycle Study remain unchanged, further detail on Community Hubs and Clusters was provided through the SAMDev Plan and the level and location of development

assessed through the original Water Cycle Study therefore changed and required an updated assessment. In addition, it was agreed that a detailed assessment of allocations for housing and development to be contained within the SAMDev Plan was required to ensure a robust supporting evidence base for the development strategy.

9. To initiate an update to the Water Cycle Study, the Council held an early meeting with the Environment Agency and water companies in December 2011. It was agreed that water supply would not be revisited as part of the update to the Water Cycle Study since the overall scale of development and distribution across the spatial zones remains broadly in line with the adopted Core Strategy. In addition, the adopted Core Strategy sets out policy requirement for water efficiency with a minimum water efficiency target for new development of 105l/h/d (Policy CS18 Sustainable Water Management).
10. Detailed site assessments of all promoted sites have been undertaken as a separate piece of evidence to inform preparation of the SAMDev Plan. This has ensured a sequential approach to flood risk using evidence of both fluvial and pluvial flooding within Shropshire. This has been further supported by an update to the SFRA which takes a risk based approach, providing further detailed assessment of particular proposed allocations sites where further flood risk modelling is considered to be appropriate to ensure deliverability. It was therefore agreed that the updated Water Cycle Study would not include an assessment of flood risk. In particular, specific policy requirements are already set out within the adopted Core Strategy Policy CS18 (Sustainable Water Management) in relation to the management of flood risk, in line with national requirements.
11. Consequently, it was agreed that the update to the original Water Cycle Study would focus on an assessment of the impact of proposed development within the SAMDev Plan on wastewater infrastructure. This includes the sewerage network, hydraulic capacity within the wastewater treatment works and environmental capacity to discharge in accordance with the Water Framework Directive standards and the Habitat Regulations specifically within the Clun catchment.
12. Given that a whole review of the Water Cycle Study was not deemed necessary, it was agreed that the update would form an addendum to the original study, setting out areas of change and updates to associated conclusions.
13. As effective joint working between the Council and STW had been established through the preparation of the Core Strategy, initial work to assess the impact of proposed development on wastewater infrastructure was undertaken directly between the Council and STW. This involved the Council providing STW with information on locations and levels of proposed growth for assessment against the impacts on wastewater infrastructure. As a result STW provided information on the available capacity within their assets to

accommodate the proposed growth. This assessment was undertaken numerous times throughout the period January 2012-September 2013, as the levels and locations of proposed development changed, informed by the various stages of public consultation on the SAMDev Plan.

14. In September 2013, the SAMDev Plan had reached the Revised Preferred Options stage and as such there was greater certainty over the proposed development strategy. The Council therefore employed consultants, CH2MHill (previously known as Halcrow and the authors of the original Shropshire Water Cycle Study) in November 2013, to draw together the information gathered from STW, address any outstanding gaps in information and to prepare the updated Water Cycle Study to inform preparation of the Final Plan and associated Implementation Plan (Place Plans).
15. A draft Water Cycle Study was shared with all parties (Environment Agency and water companies) on the 17th March 2014. A final draft of the Water Cycle Study was circulated on 23rd April and STW confirmed their agreement with the findings and conclusions of the study. However, further work on the Water Cycle Study has been ongoing with STW in the lead up to submission to address specific concerns raised by the Environment Agency.

Annual Place Plan Review (Shropshire's Implementation Plan)

16. It is recognised by the Council and STW that the Water Cycle Study can only provide evidence for a point in time, based on the best available information. However, it is agreed that there is a need for sufficient flexibility to reflect changing circumstances either in terms of changes in development pressure (such as the impact of five year land supply) or changes in investment priorities by STW (through their five year investment planning cycles).
17. Shropshire's development strategy is therefore supported by an Implementation Plan, comprising 18 Place Plans which set out the specific infrastructure and investment needs and priorities within each of Shropshire's settlements. An annual review process has been established and formalised through Codes of Practice with local communities and infrastructure and service providers, to ensure that the Place Plans continually provide an up-to-date and detailed evidence base of Shropshire's infrastructure and investment needs and how these are prioritised in light of funding opportunities and delivery mechanisms. As such, the Place Plans provide a coordinated approach to the implementation of Shropshire's development strategy.
18. The conclusions from the updated Water Cycle Study have been included within the Place Plans, to identify areas of known infrastructure capacity constraint. Information on the timing of investment to address these areas of infrastructure constraint are included within the Place Plans where this is known, recognising that this can only reflect a point in time based on information regarding development certainty and therefore investment needs. However, the Place Plans do provide an ongoing mechanism to support

delivery of the development strategy. In addition, there is an established policy requirement within Core Strategy Policy CS18 for development proposals to provide evidence from STW that the necessary water infrastructure is either in place or can be put in place for areas of known constraint, as identified by the Water Cycle Study and the Place Plans.

Agreed Matters

19. STW supports Shropshire's Local Plan.
20. In addition, to the ongoing engagement within the preparation of the Plan, STW has provided statements of support, outlining their ongoing responsibilities, for both the Core Strategy (Appendix 1) and the SAMDev Plan (Appendix 2).
21. As set out in Appendix 2, STW has welcomed the continued engagement in the preparation of Shropshire's SAMDev Plan. As a result of the detailed assessment work undertaken within the Water Cycle Study, STW does not see a problem in providing the necessary infrastructure to support the development proposed as part of the water companies routine five year investment planning cycle and therefore supports the overall deliverability of Shropshire's SAMDev Plan.
22. However, it is recognised that this assessment can only be based on the best available information at this point in time. More detailed assessments can only taken place once there is sufficient development certainty at the Development Management stage, which is supported by the policy requirements set out within Policy CS18.
23. The Council and STW therefore agree to an ongoing process of engagement throughout the implementation of Shropshire's Local Plan, which is formalised through the annual Place Plan review but which will also involve informal discussions in response to particular development pressures (eg five year land supply).
24. Whilst STW and the Council have agreed to ongoing joint working throughout the implementation of Shropshire development strategy, the updated Water Cycle has identified particular areas of known infrastructure constraint. Considering the overall deliverability of the development strategy is considered to be sound by both the Council and STW and taking a risk based approach, STW has undertaken a further assessment of specific investment needs, including timescales, for some targeted development areas. The targeting of this additional work has been informed by the outcomes of the Water Cycle Study (which identifies the following: Clun, Mile End-Oswestry, Whitchurch and Chirbury) and reflects the concerns raised by the Environment Agency to the Pre-Submission SAMDev Plan. In response to the Environment Agency's concerns, the Council approached STW seeking additional information to support deliverability of the development strategy, as set out on the letter in Appendix 3. Following, this request, STW sought a meeting with the Environment Agency to discuss their concerns and to ensure

that the additional work was targeted appropriately. However, the Environment Agency felt it more appropriate to hold a meeting of all partners, which Shropshire Council arranged on the 9th July. This meeting discussed and agreed a way forward for all outstanding areas of concern, as set out in Appendix 4.

25. Following the meeting of all partners on 9th July, a final Water Cycle Study report was provided to Shropshire Council on 23rd July. The findings of this report were subsequently reflected within the Shropshire's LDF Implementation Plan and accompanying Place Plans to inform and support delivery of the development strategy. In addition, further proposed changes were included within the submission documents to reflect minor edits to relevant settlement policies where the final Water Cycle provides more detailed confirmation of the timing of future infrastructure investment.

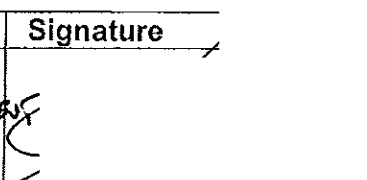
26. Given the particular environmental sensitivities relating to the Clun Catchment, STW and the Council have committed to work with Natural England and the Environment Agency to finalise the Clun Nutrient Management Plan and to develop an associated Action Plan. The Council has agreed to reflect measures identified within the Action Plan within the relevant Place Plan, thereby informing the future design of development and targeted use of developer contributions. STW has committed to a more detailed assessment in AMP6 to establish a new monitoring network across the catchment and to evaluate each of the wastewater treatment works in detail to consider the most cost effective means of delivering a reduction in phosphate concentrations. An Interim Planning Note is currently in place to guide development in this catchment and will be updated once the Nutrient Management Plan is finalised and more is known about the specific measures and actions which are required.

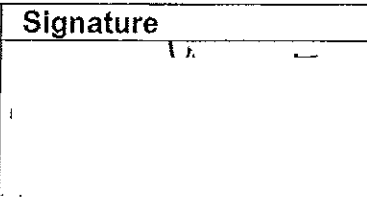
Agreement

STW supports Shropshire's Local Plan, comprising the adopted Core Strategy and SAMDev Plan,

STW does not see a problem in providing the necessary infrastructure to support the development proposed as part of the water companies routine five year investment planning cycle and therefore supports the overall deliverability of Shropshire's SAMDev Plan

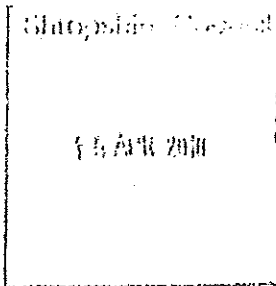
STW agrees to work in close partnership with Shropshire Council to support delivery of the Plan, ensuring the necessary infrastructure is in place to support the level, location and timing of development proposed.

Signed on behalf of Shropshire Council		
Name and Position	Signature	Date
ASWAN COOPER TEAM LEADER, ENVIRONMENT & ECONOMIC POLICY		28 July 2014

Signed on behalf of Severn Trent Water		
Name and Position	Signature	Date
Steve Southern Business Support Manager		28 th July 2014

13th April 2010

Andy Mortimer
Policy Manager
Development Services
Shropshire Council
Shirchall
Abbey Foregate
Shrewsbury
SY2 6ND



Severn

SEVERN TR
Barlaston C
Barlaston
Stoke on T
ST12 9EX

Serial Number	1924
Rec Date	15.4.10
Reply Due Date	
Passed to	AM
Date	15.4.10

Tel 0121 7214000
 Fax 01782 654249
 Direct Line 01782 654256
 Contact Steve Southern
 Your Ref
 Our Ref

Dear Andy,

Local Development Framework – Core Strategy

I refer to your letter of the 10th March 2010 and take this opportunity to elaborate further on our position regarding provision of sewage treatment.

Firstly, I would like to state that Severn Trent Water agree with your approach and support your Core Strategy and look forward in working in close relationship with your department to ensure the necessary infrastructure can be in place to support the level, location and timing of your proposed development. I offer this undertaking provided we are kept involved in all the key stages in the Core Strategy process.

Sewage Treatment.

Whilst our sewage works performance is continually monitored its comparison against the relevant discharge consent criteria does not always reflect the amount of spare headroom at a treatment works. Due to efficiency reasons we will often operate our treatment works close to our discharge consent limits to optimise operational resources. Consequently where current performance is very close to its consent thresholds it does not always indicate that there is no spare capacity for future development. Again, once we are more confident of development proposals we will then investigate in greater detail the sewage treatment works serving the Shrewsbury and Oswestry areas and form detailed proposals to provide additional capacity (if required) to enable your growth proposals.

A member of the Severn Trent Group



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CONTINUATION

As well as providing additional capacity for future development we also have to manage asset deterioration and improve treatment quality to meet ongoing European river quality directives. Over the next 3-5 years we will be investing in our sewage treatment works and so as the cost of providing additional treatment capacity for future growth is often marginal, we would usually welcome development at these works which may at present have little or no capacity. Therefore, as part of our five year business planning cycle (AMP) agreed with our water regulator (Ofwat) funding is available to provide additional sewage treatment capacity as and when required.

In summary we have an obligation to provide sewage treatment capacity for future development and to ensure that the performance of the sewerage system is not unduly affected. We therefore welcome the opportunity to contribute to the Core Strategy process, yet for most developments proposals we would not foresee any particular issues to provide additional capacity as and when required.

Yours sincerely, /

Steve Southern
Business Support Manager
Water Strategy



10th April 2014

Hayley Deighton
Principal Policy Officer
Development Services
Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
SY2 6ND

Severn Trent Water

SEVERN TRENT WATER Ltd
Barlaston Old Road
Barlaston
Stoke on Trent
ST12 9EX

Tel 0121 722 4000
Fax 01782 654249

Direct Line 01782 654256

Contact Steve Southern
Your Ref
Our Ref

Dear Hayley,

Shropshire Council Site Allocations & Management of Development Plan (SAMDev)

Thank you for the opportunity to comment on your Site Allocations and Management Plan and you recent consultations on this subject.

Our approach has been to concentrate on the main strategic site allocations being as these areas are perceived to have the greatest level of development certainty and are likely to have the greatest impact on our infrastructure, therefore requiring appropriate planning. A review of the smaller development settlements indicated that a detailed assessment is not required at this time, since we believed that the scale of development proposed within these locations can be accommodated as part of our established investment planning cycles.

The reasoning for our approach is that:-

Severn Trent Water has a general duty under section 94 (clauses 1a and 1b) of the Water Industry Act (1991)

To provide, improve and extend such a system of public sewers (whether inside its area or elsewhere) and so to cleanse and maintain those sewers and any lateral drains which belong to or vest in the undertaker as to ensure that that area is and continues to be effectually drained; and

CONTINUATION

To make provision for the emptying of those sewers and such further provision (whether inside its area or elsewhere) as is necessary from time to time for effectually dealing, by means of sewage disposal works or otherwise, with the contents of those sewers.

In effect, this places an absolute obligation upon Severn Trent Water to provide such additional capacity as may be required to treat additional flows and loads arising from new domestic development. It would be worth noting that the quality of sewage effluent discharge does not deteriorate in a linear relationship with increasing load and as such, multiple properties can be connected without causing significant impact on Severn Trent's consent levels.

Severn Trent Water is also under a legal duty to comply with its sewage treatment works discharge permits, issued by the Environment Agency under the Water Resources Act 1991 (as amended by the Environment Act 1995 and the Environmental Permitting Regulations of 2010). Should we be in a position of being unable to comply with a permit to discharge as a consequence of growth within the sewerage catchment, we are obliged to remedy the situation using our own resources.

It is also worth noting whilst our sewage works performance is continually monitored its comparison against the relevant discharge consent criteria does not always reflect the amount of spare headroom at a treatment works. Due to efficiency reasons we will often operate our treatment works close to our discharge consent limits to optimise operational resources. Consequently where current performance is very close to its consent thresholds it does not always indicate that there is no spare capacity for future development. Again, once we are more confident of development proposals we will then investigate in greater detail the sewage treatment works serving your area and form detailed proposals to provide additional capacity (if required) to enable your growth proposals.

In summary we have an absolute obligation to provide sewage treatment capacity for future development and to ensure that the performance of the sewerage system is not unduly affected. We therefore welcome the opportunity to contribute to your Local Plan process, yet for most developments proposals we would not foresee any particular issues to provide additional capacity as and when required.

Yours sincerely

Steve Southern
Business Support Manager
Water Strategy

APPENDIX 3

Ms Liv Garfield
Chief Executive
Severn Trent Water Limited
Severn Trent Centre
PO Box 5309
Coventry
CV3 9FH

Shropshire Council
Shirehall
Abbey Foregate
Shrewsbury
Shropshire SY2 6ND

Date: 5th June 2014
My Ref: CW
Your Ref

Dear Ms Garfield,

Shropshire Local Plan- Development Strategy

Shropshire Council is pleased to be working closely with Severn Trent Water on the preparation of Shropshire's Local Plan. We particularly appreciate the continued involvement of your Business Support Manager Steve Southern throughout the Plan preparation and for his assistance in putting together the Water Cycle Study, which is a key piece of evidence ensuring that the planned housing and employment development is supported by the timely provision of water infrastructure.

We understand Severn Trent Water's responsibility under the Section 94 of the Water Industry Act and appreciate that it is difficult to commit investment to additional infrastructure provision until there is a reasonable level of development confidence. Whilst our Local Plan provides you with a direction for planned development to help inform your business planning cycles, we are aware that the level of certainty you require for your detailed investment planning only comes with a planning application. Consequently, we do appreciate that the level of information you can provide to support our Local Plan is limited.

However, as you will be aware, under planning legislation Local Plans must be submitted for an independent examination where they are tested on issues of 'soundness', including deliverability. As such, the Local Planning Authority needs to demonstrate that there is reasonable prospect that the location and scale of development proposed can be delivered. This includes an assessment of the infrastructure requirements to support development, how they can be funded and whether they will be delivered in an appropriate time.

In light of the above national planning requirements, the Environment Agency has raised objections to our Local Plan as they consider the Water Cycle Study does not currently provide reasonable certainty of delivery. In particular, they have stressed the need for the Water Cycle Study to identify the water infrastructure requirements to support the planned development, how these will be funded and the timing of the infrastructure provision in order to inform the phasing of our development proposals. The Environment Agency have assured us that they have requested a similar level of detail to support other development plans within the Midlands region and have

highlighted the Redditch/Bromsgrove Water Cycle Study as an example of best practice.

As you will appreciate, we are due to submit our Local Plan to the Planning Inspectorate at the end of July, in preparation for a public examination in November/early December. I therefore request your assistance in addressing the Environment Agency objections ahead of our submission. In particular I am seeking confirmation that the development strategy for Shropshire is deliverable from a Severn Trent Water perspective and request clarity on how and when the identified infrastructure requirements will be funded and delivered. As a Local Planning Authority we do have the ability to seek developer contributions towards the timely provision of infrastructure and would be more than happy to assist in targeting these funds to the provision of water infrastructure where this will support delivery of our planned growth.

Please do contact, Hayley Deighton, Principal Policy Officer Environment, if you would like to discuss the above in more detail (01743 252423, hayley.deighton@shropshire.gov.uk)

Yours sincerely

Clive Wright
Chief Executive
Tel: 01743 252702

Email clive.wright@shropshire.gov.uk

Note of Meeting 9th July 2014

In attendance:

Steve Foster	Environment Agency (Clun Catchment)	(SF)
Dawn Karle	Environment Agency (Water Quality)	(DK)
Mark Davies	Environment Agency (Planning)	(MD)
Justin Burnett	Environment Agency (Planning)	(JB)
Dewi Griffiths	Welsh Water	(DG)
Steve Southern	Severn Trent	(SS)
Ali Cotton	CH2M	(AliC)
Andy Mortimer	Shropshire Council (Planning)	(AM)
Dave Edwards	Shropshire Council (Water Management)	(DE)
Adrian Cooper	Shropshire Council (Planning)	(AC)

SAMDev Plan Context

Adrian Cooper explained that the key objective of the meeting was to focus on any outstanding areas of concern and to make progress towards the production of a 'statement of common ground' for submission to the planning inspectorate at the end of July.

AC explained that Shropshire Council was being asked to agree the draft SAMDev Plan for submission at its meeting on 17th July and that it was planned to formally submit the draft Plan by 31st July. Examination will commence on submission, but public hearings are unlikely before October / November 2014.

Water Cycle Study (WCS) & SFRA progress

Ali Cotton explained that additional analysis being carried out as part of the Water Cycle Study and SFRA updates was due to be completed by week commencing 14th July, with a draft report available during week commencing 21st July.

Outstanding EA Issues / Concerns:

WCS / Water Quality:

1. Infrastructure capacity at waste water treatment works;
AliC advised that advice from Severn Trent and Welsh Water confirmed that there were no waste water treatment capacity concerns which could be considered 'showstoppers' in the context of the Plan's proposals. Key issues therefore concern the timing of delivery in the context of planned development.

2. Environmental capacity at waste water treatment works & in the sewerage network;

Dawn Karle sought reassurance that achievement of 'good status' and 'no deterioration' has been considered as separate objectives and it was confirmed that an appropriate approach had been applied.

Whitchurch: It was explained that development related growth was relevant, but not an instrumental factor against the Water Framework Directive Standards for Phosphate. In all cases Ali Cotton confirmed that growth was not the barrier to achieving good WFD status. Similarly, there were all works could achieve no deterioration consents within the limits of Best Available Technology.

MD and JB re-iterated the need to consider what treatment options are available to meet any new consents (at 10 works), so that it can be demonstrated that there were feasible options. STW and Welsh Water agreed to provide some high level commentary for relevant works: Clun (also covered by NMP), Market Drayton, Mile End Oswestry, Pontesbury and Whitchurch. The commentary will give confidence any new consents can be met in a timely manner. **Action:** AliC to liaise with SS and DG to provide some high level commentary

For Montford Bridge, Stoke on Tern, Chirbury, Knockin and Onibury agreed that no further work would be needed as these are small sites with limited growth. Revised text may be required in the SAMDev development guidelines for areas including Whitchurch to refer to planned or proposed infrastructure improvement to address environmental capacity issues as referenced in the updated WCS. **Action:** SC to draft text and forward to MD.

Clun: SF provided an overview of the Clun NMP, and proposed options to mitigate growth. Phosphate stripping is programmed for the Clun works in AMP6. WCS should include appropriate cross reference to the Nutrient Management Plan (NMP). **Actions:** MD to forward latest NMP document (parts 1 and 2) to AliC; SC to forward to MD, a copy of their analysis of and proposed response to Natural England's representations on the SAMDev Final Plan.

Agreed that once additional text had been put into the WCS about options to meet future consent requirements this would provide a sufficient evidence base to support the SAMDev.

Strategic Flood Risk Assessment (SFRA)

Ali Cotton explained that CH2M had completed modelling for SAMDev site allocations adjacent to un-modelled watercourses in circumstances where no Flood Risk Assessment had already been prepared by site promoters, for example in support of a planning application. Any additional text changes arising

from the results of this modelling will be fed into a list of proposed changes and forwarded to the Planning Inspector.

AllC described that the modelling had been undertaken on sites where there was no Flood Map for Planning and there was an unmodelled watercourse running through the site. This equates to 18 sites. MD and JB commented that this had clarified their understanding about which sites needed to be modelled.

Ellesmere: EA requested that a sequential approach should be adopted within site ELL003, so that more vulnerable uses were guided to zone 1. The current approach could be taken to imply that development of more vulnerable uses would be acceptable in zone 2. The Plan text may need to be updated for consistency with the final SFRA. The existing 'sequential risk' analysis will be updated and incorporated as part of the final SFRA.

Preparation of Statement of Common Ground:

Action: Draft Final WCS, SFRA and draft 'statement of common ground' incorporating proposed text amendments to be forwarded to EA for agreement.