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Suffolk Water Recycling, Transfer & Storage

Section 35 Direction Request

CONTENTS

Appendices

1 RELEVANT BACKGROUND

1.1.1 This statement is prepared by Northumbrian Water Limited (trading as Essex and Suffolk Water Limited (hereinafter referred to as 'ESW') as a qualifying request for a direction from the Secretary of State under section 35 of the Planning Act 2008 (the Planning Act) in relation to the Suffolk Water Recycling, Transfer and Storage Project (the Project).

1.1.2 Northumbrian Water Limited is an appointed water undertaker under the Water Industry Act 1991 (the 1991 Act). ESW produces and supplies water to 1.8m customers in Essex, and 300,000 customers in Suffolk. As a result, ESW is required to prepare, publish and maintain a Water Resources Management Plan (WRMP) every five years which is to be reviewed annually. ESW's current WRMP was published in October 2024 (the WRMP24), in accordance with section 37A to 37D of the 1991 Act. Further context regarding the role and purpose of WRMP's is set out below.

1.1.3 ESW has carried out initial engagement about the Project with local planning authorities within whose administrative areas the Project would be constructed and operated (as well as the Environment Agency, Natural England, Historic England and the Marine Management Organisation).

1.1.4 A WRMP sets out how water companies intend to maintain a secure, resilient and sustainable supply of water for customers, whilst also protecting and enhancing the environment. WRMPs must forecast supply and demand in each Water Resource Zone (WRZ) over a minimum period of 25 years, factoring in potential abstraction licence changes, population and property growth and climate change. Where this forecasts a deficit, or there is a need to supply other regional, national or sectoral needs a range of supply and demand type options should be identified and appraised, to determine a preferred plan that should be best value for both customers, overall society and the environment.

1.1.5 A Water Resource Zone (WRZ) describes an area within which the management of supply and demand is largely self-contained (apart from agreed bulk transfers of water). ESW's WRZs for Suffolk consist of:

- The Blyth WRZ
- The Hartismere WRZ
- The Northern Central WRZ

1.1.6 The three WRZ's are shown on **Figure 1** below:

1 RELEVANT BACKGROUND

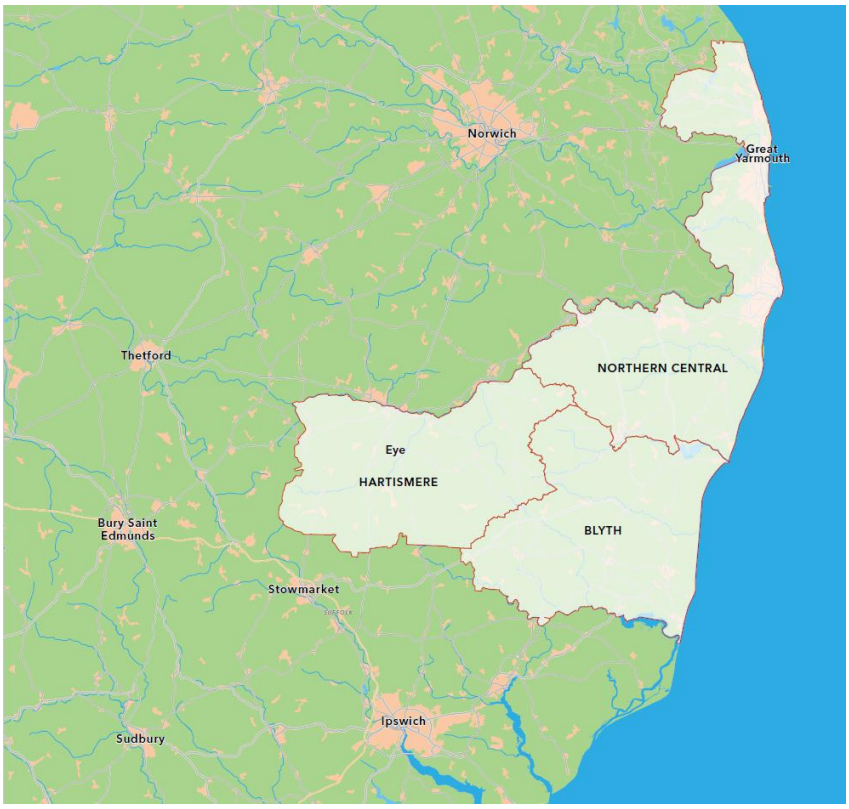

Figure 1: Suffolk's Water Resource Zones

1.1.7 The baseline WRMP24 supply and demand forecasts result in a supply deficit in the Blyth and Hartismere WRZs from 2026/27 and 2025/26 respectively, when planning to provide a 1 in 500 year level of resilience. This is caused by new abstraction licence reductions that are required by the Environment Agency, new non-household demand and the forecast climate change using the latest UK climate change projections. Under the baseline supply and demand balance, the Northern Central WRZ has a small surplus until 2031/32 and a deficit thereafter, necessitating immediate measures to avoid further disruptions and ensure drought resilience.

1.1.8 ESW are currently operating a moratorium[1], in the Hartismere WRZ (the Moratorium). The Moratorium has been put in place due to the lack of available water and is expected to remain in place until approximately 2033 when this Project will be completed.

1.1.9 Water companies use adaptive planning to account for uncertainties in supply and demand forecasts to ensure a resilient mains water supply to household customers and businesses. This involves creating flexible plans that allow supply schemes to be adjusted should supply and demand forecast assumptions change. The main uncertainty in ESW's supply forecast relates to the size of further reductions in abstraction licence annual licence quantity that the Environment Agency is likely to require ESW to make under the Conservation of Habitats and Species Regulations 2017 – these are known as Habitats Regulations Sustainability Reductions. As such, ESW has included a Habitats Regulations Adaptive Plan within WRMP24.

1.1.10 Defra directed ESW to plan accordingly so that new supply schemes required to enable the Habitats Regulations Sustainability Reductions are near construction ready should ESW need to move to its Habitats Regulations Adaptive Plan. The extent of the new Habitats Regulations Sustainability Reductions will not be confirmed until early 2027 once the Environment Agency has concluded its investigations. However, for planning purposes, the EA has provided information as to the possible extent of those reductions. If the scale of licence reductions is as severe as

[1] a temporary prohibition on new connections or increases in supply from existing connections where the mains water will be used for non-domestic purposes

forecast in our Habitats Regulation Adaptive Plan, this will put our Northern Central WRZ into deficit when these are applied in 2026/27.

1.1.11 Due to existing and forecasted deficits in water available for uses, compared to forecasted demand, new water sources are required to be provided by ESW. It should be noted that the WRMP24 proposed that the component parts of the Project be delivered by ESW, however, the terminology in the WRMP24 differs from that adopted in this Qualifying Request. The WRMP24 confirmed the need for the Project, referring to its component elements as i) the Suffolk Strategic Network and Storage Enhancement and ii) Lowestoft Reuse. The purpose of the former is to transfer water from the Northern Central WRZ to lift the Moratorium; the purpose of the latter is to provide additional water within the Northern Central WRZ[2] so it could be transferred to lift the Moratorium.

1.1.12 ESW are currently operating the Moratorium in the Hartismere WRZ. The Moratorium has been put in place due to the lack of available water and so to protect mains water supplies to existing household customers and businesses, it is expected to remain in place until approximately 2033.

[2] In the scenario where ESW is required to move to the Habitats Regulations Adaptive Plan in the WRMP24

2 THE PROJECT

2.1.1 The principal elements of the Project (the Principal Development) comprise the following (as shown on **Figure 2**):

2.1.2 An Advanced Water Recycling Plant (AWRP) with a maximum daily deployable output of 11 Ml/d. The site for the AWRP is likely to require approximately 9 hectares (ha). The AWRP will receive up to 16 Ml/d of treated wastewater from the existing Lowestoft Water Recycling Centre (WRC) which is owned and operated by Anglian Water Services.

2.1.3 Construction of a new pumping station and potential minor modifications to the existing works at the Lowestoft WRC, to divert treated wastewater to the AWRP.

2.1.4 Two proposed Service Reservoirs (SRs) for storage of drinking water, located at strategic locations for onward supply and storage. The two SRs are to be sized to provide 36 hours of storage. The central SR will have a capacity of approximately 17ML and the western SR will be approximately 13ML. It is likely the SRs will require a construction site size of approximately 4ha each.

2.1.5 A network of proposed pipelines, connecting existing infrastructure to proposed infrastructure, transferring new water sources to be treated for onward supply and storage. These consist of the following key pipeline routes, totalling approximately 120km:

- Pipeline from Lowestoft WRC to the AWRP, transferring approximately 16 Ml/d of treated wastewater.
- Pipeline from the AWRP to a proposed outfall along the River Waveney transferring approximately 11 Ml/d recycled water to be discharged into the River Waveney located within the Broads National Park. Abstraction from the River Waveney would be via the existing Barsham Water Treatment Works (WTW) abstraction point near Shipmeadow.
- A long sea outfall pipeline is proposed from the AWRP, to discharge concentrated residual water.
- Pipeline from the existing Barsham Water Treatment Works (WTW) to the central SR transferring approximately 18 Ml/d of drinking water. A pipeline connection will be required from the central SR to the existing ESW Lodgewood water tower. In addition, a pipeline connection will be made to Walpole WTW.
- Pipeline from the central SR to the western SR transferring approximately 10 Ml/d of drinking water. Distributions pipelines from the western SR will be required in the Eye area.
- Pipeline from central SR to the existing Saxmundham water tower transferring approximately 9 Ml/d of drinking water.
- Pipeline from near Saxmundham water tower to Sizewell C Nuclear Power Station (SZC), which was granted a Development Consent Order in 2022.
- Pipelines from the western SR to the existing local water network for the distribution of drinking water to customers.

2.1.6 The Project as a whole would also comprise:

2.1.7 A range of associated development (as defined by section 115(2) of the Planning Act), which may include, but is not limited to:

- Landscaping, environmental mitigation, enhancement and compensation measures.
- Accesses and utility connections as identified by the ESW for the site including electrical sub-stations, telecoms, water and sewerage facilities.
- Temporary works to support construction, works to support operation and maintenance (including pipelines), site accesses, temporary and permanent utility connections, highway diversions and landscaping, environmental mitigation, enhancement and compensation measures.

2.1.8 Ancillary matters (including matters that fall within the scope of section 120 of the Planning Act).

2.1.9 The Principal Development does not meet the statutory definition of a Nationally Significant Infrastructure Project (NSIP). ESW considers the Principal Development and Project as a whole is nationally significant for the reasons stated in Section 4 of this Qualifying Request. Water transfer infrastructure (section 28, Planning Act) can automatically qualify as a NSIP. Accordingly, a section 35 Direction is requested.

2.1.10 An indicative diagram of the Principal Development is shown below (**Figure 2**):

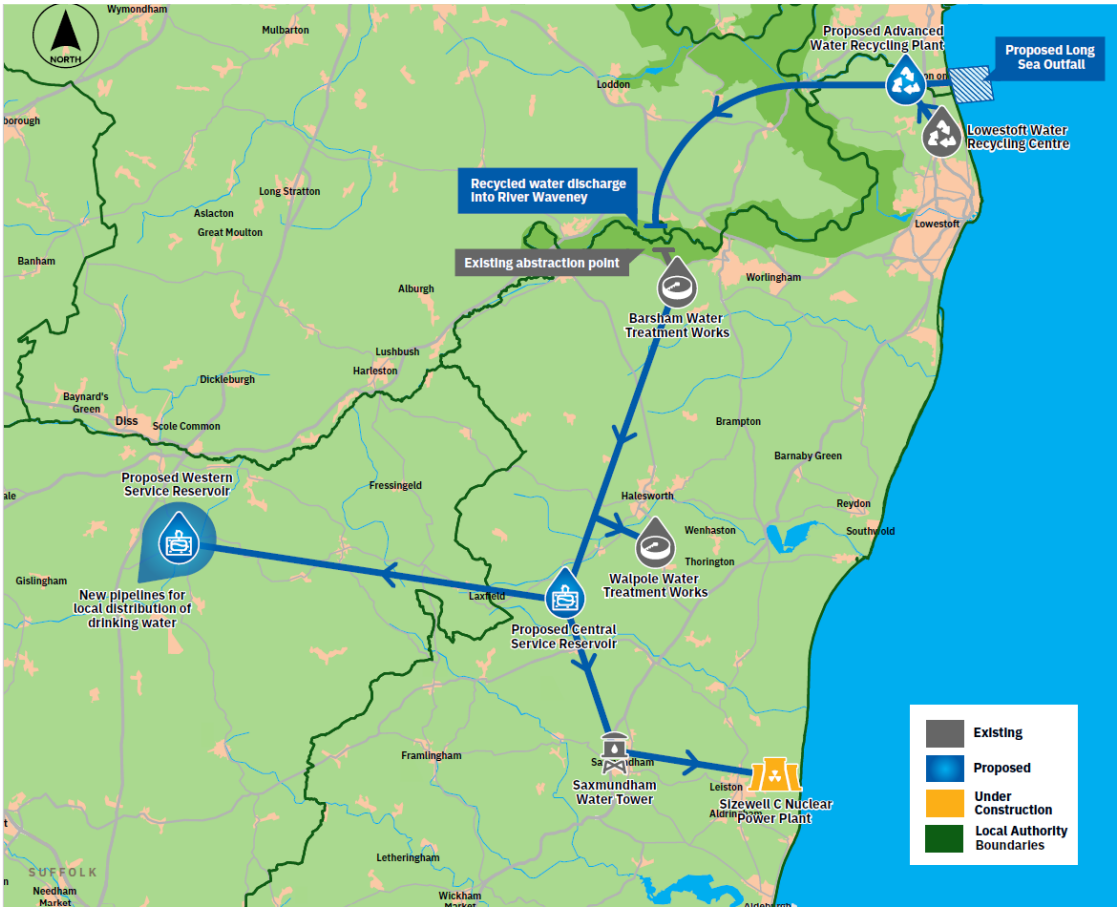

Figure 2: Suffolk Water Recycling, Transfer and Storage 'the Project'

3 REQUEST FOR A SECTION 35 DIRECTION

3.1.1 Section 35(1) of the Planning Act states that the Secretary of State may give a direction for development to be treated as development for which development consent is required in circumstances where:

- The development is, or forms part of, a project in the fields specified in section 35(2)(a) (Criterion 1);
- The development will be wholly in an area set out in section 35(3) (Criterion 2); and
- The Secretary of State considers that the project is of national significance, either by itself or when considered with one of more other projects or proposed projects in the same field (Criterion 3).

3.1.2 ESW considers that the Principal Development meets all three criteria for the reasons set out below:

- Criterion 1: The Principal Development is a project in the field of water thereby meeting one of the listed criteria in section 35(2)(a)(i) of the Planning Act;
- Criterion 2: The Principal Development would be located wholly in England in accordance with section 35(2)(b) and 35(3)(a) of the Planning Act:
- Criterion 3: The Principal Development is of national significance for the reasons set out below at section 4 of this Qualifying Request per section 35(2)(c)(i) of the Planning Act.

3.1.3 Section 35ZA(1) of the Planning Act states that the power in section 35(1) to give a direction in a case within section 35(2)(a)(i) is exercisable only in response to a qualifying request if no application for a consent or authorisation mentioned in section 33(1) or (2) has been made in relation to the development to which the request relates. ESW confirms that no application for consent or authorisation mentioned in section 33(1) or (2) has been made in relation to the Principal Development to which this request relates.

3.1.4 3.4 Section 35ZA(11) defines a 'qualifying request' as:

'a written request for a direction under section 35(1) that:

(a) specifies the development to which it relates, and

(b) explains why the conditions in section 35(2)(a) and (b) are met in relation to the development.'

3.1.5 This request represents a 'qualifying request' because it is made in writing, specifies the development to which it relates (see section 2 onwards of this direction request above) and the conditions in sections 35(2)(a) and 35(2)(b) of the Planning Act are met (see section 3.1.2 above).

4 CASE FOR NATIONAL SIGNIFICANCE (CRITERION 3)

4.1.1 This section provides information to assist the Secretary of State (SoS) to determine whether the Principal Development is of 'national significance' per section 35(2)(c)(i) of the Planning Act.

4.1.2 The Government's 2013 Policy Statement for business and commercial NSIPs (the 2013 PS) states that '*in considering whether a project is of national significance, the Secretary of State will consider all relevant matters, including:*

- *Whether a project is likely to have a significant economic impact, or is important for driving growth in the economy;*
- *Whether a project has an impact across an area wider than a single local authority area;*
- *Whether a project is of a substantial physical size…; or*
- *Whether a project is important to the delivery of a nationally significant infrastructure project or other significant development'.*

4.1.3 The 2013 PS also makes clear that the Secretary of State will consider, *"whether a project is likely to require multiple consents or authorisations, and which, in consequence, would benefit from the single authorisation process offered by the nationally significant infrastructure regime".*

4.1.4 ESW has set out some additional factors below that it considers further demonstrate the national significance of the Principal Development, and the Project as a whole, namely:

- The Project will play an important role in contributing to a resilient and secure water supply for people in the east of England and is recognised as necessary and critically important infrastructure in the WRMP24;
- The Principal Development is a significant and complex piece of infrastructure which is of significant scale when considered as a whole;
- The Project would contribute to the UK's environmental objectives; and
- The Project requires a variety of consents, powers and rights from various organisations and authorities (including planning consent and temporary and permanent rights over land and acquisition of land) which will be best secured by a DCO.

Significant economic impact and importance for driving growth in the economy

4.1.5 ESW are investing £1bn in total in the region (inclusive of the Project), which is its largest investment programme in the last 30 years. ESW applied for early funding through Ofwat's Accelerated Infrastructure Delivery project. Ofwat, recognising the urgency of Suffolk Strategic Network and Storage Enhancement[3] and Lowestoft Reuse[4] schemes (which fall within the scope of the Project), approved expedited funding for their detailed design, bringing forward the earliest delivery dates to 2028 and 2034, respectively.

4.1.6 The above schemes (which fall within the scope of the Project) seek to meet existing and future housing growth. The Government's new standard method for Local Housing Need results in an annual increase for East Suffolk of 82% from 905 dwellings per year to 1,644 dwellings per year. Babergh/Mid Suffolk's increase is also significant with an increase of 67% from 906 dwellings per year to 1,509 dwellings per year. Neither authority has yet commenced reviews of their adopted Local Plans. However, this is an indication of significant future housing growth that ESW is planning for with this Project.

4.1.7 ESW are forecasting significant increases in water demand from businesses in Suffolk over the next ten years, beyond the level of growth predicted in previous WRMPs, further increasing the pressure on water resources and cementing the need for the Project. This includes requests for water from poultry farms and meat processing factories who supply national supermarket chains

[3] As defined in the WRMP24
[4] As defined in the WRMP24

and the energy sectors which have the ability to impact economic growth on a national level. Until ESW develop new water resources, the Moratorium will remain in place and no new requests for water in the Hartismere WRZ will be agreed, thus potentially constraining economic growth. The ongoing effect of the Moratorium results in a projected potential loss of £5.6 million Gross Value Added (GVA) per year until a water supply can be secured (See Appendix E).

4.1.8 The Project will also facilitate the long term supply of mains water to SZC, an NSIP, and is therefore important for the delivery of SZC and the realisation of low-carbon energy which SZC will provide once operational. ESW considers that the Project meets the test of national significance judged on its own, however, it will also assist in delivering the significant economic benefits and growth which flow from SZC.

4.1.9 The Project would create direct and indirect jobs during construction, and there will be significant supply chain opportunities and support for national, regional, and local businesses. ESW prioritise working with local supply chains that uphold the same social, economic and environmental standards. As part of this, throughout 2025-30 ESW will invest 60p in every £1 within ESW's operating areas to support local jobs and communities.

4.1.10 ESW's 2025-30 Business Plan (the ESW BP) will create significant opportunities for local economic growth and community development. ESW is accelerating approximately £100m of the investment referred to in the ESW BP into 2023-25 period, in order to deliver benefits sooner and secure a more deliverable profile of work in the 2025-30 period.

Contribution to resilient and secure water supply and recognition in regional plans

4.1.11 Pursuant to requirements under the National Framework for Water Resources 2025, ESW has worked with Water Resources East (WRE) to produce a regional plan (The Regional Plan) which sets out actions required to ensure resilient water supplies for future generations.

4.1.12 The Regional Plan notes that unless urgent action is taken via significant new investment in water supply-side options, the east of England will face severe water shortages that will constrain agricultural production and curtail economic growth, impacting the region's prosperity and endangering existing watercourses, peatlands and wetlands.

4.1.13 The Regional Plan is built around 'low regret' options for investment in water supply infrastructure, being options that make sense to pursue in almost any future climate, demand and environmental scenario.

4.1.14 The water stressed status of eastern England was recognised by Ofwat (as Water Services Regulation Authority) in 2021 and, subsequently, funding was provided for water companies to investigate and develop Strategic Resource Options that will benefit customers and the wider society and to help protect and enhance the environment.

4.1.15 Accordingly, ESW developed WRMP24 which establishes the need for the Project (including the Principal Development). The WRMP24 forecasts that Suffolk could experience a water supply shortfall as early as 2026/27, necessitating immediate measures to avoid further disruptions and ensure drought resilience. The Project needs to be consented and implemented rapidly to safeguard customer supplies, support economic growth, and to protect the environment, without recourse to Drought Permits and Drought Orders over the longer term.

4.1.16 As set out in the WRMP24, to meet the requirements of the Conservation of Habitats and Species Regulations 2017 (the Habitats Regulations), sustainability reductions are expected in the Northern Central WRZ and Hartismere WRZ. The extent of the likely sustainability reductions is not yet confirmed by the Environment Agency (EA). ESW have worked with the EA to agree likely sustainability reduction values in the WRMP24 which form the basis for the Habitats Regulations Adaptive Plan in the WRMP. Defra has confirmed that it is highly likely that the Habitats Regulations Adaptive Plan will be needed and as such ESW should adopt this as its core plan. The decision to do this will be made at ESW's adaptive plan review point which will be no later

than April 2027. On the basis of the likely sustainability reductions, ESW predict that the Northern Central WRZ and Hartismere WRZ will be in a supply demand balance deficit in 2026/7.

4.1.17 In the Blyth WRZ, the deficit increases in 2032 due to a step increase in demand due to supply to SZC with 2.2 Ml/d as an annual average, and 2.9 Ml/d as a peak daily amount.

4.1.18 Additionally, new requirements from Defra require water companies to provide 1:500 year resilience to extreme droughts as soon as is practicable, and at the latest by 2039, ensuring that water supply systems can withstand such events.[5] Our WRMP24 assumes we will provide this level of service once the new supply schemes, including the Principal Development, have been delivered. This means that we will not need to implement Level 4 drought restrictions (i.e. standpipes and rota cuts), more than once every 500 years on average. Currently, our level of service is one in 200 years.

4.1.19 See Appendix B for further information regarding how the Project is dealt with in WRMP24.

4.1.20 As a key infrastructure solution, the Project therefore needs to be consented and implemented rapidly to deliver a secure water supply.

4.1.21 The National Policy Statement for Water Resources Infrastructure (2023) (Water Resources Infrastructure NPS) sets out the need for development of water resources in England and recognises that water infrastructure in WRMPs, which are not mandatory NSIPs, may be the subject of S35 Directions.

4.1.22 Key parts of the Water Resources Infrastructure NPS are set out below:

- Paragraph 1.4.5 of the Water Resources Infrastructure NPS states: *'If a nationally significant infrastructure project is included in a published final water resources management plan, the 'need' for that scheme will have been demonstrated in line with government policy.'*
- Paragraph 1.4.6 *'The Secretary of State will also consider applications for development consent for projects which do not meet the nationally significant infrastructure project criteria, as set out in sections 27, 28 and 28A of the Planning Act, but which the Secretary of State directs are to be treated as a development for which development consent is required under section 35 of the Planning Act. Where a section 35 direction is made in relation to a project which has been identified as a preferred option in a final water resources management plan, this National Policy Statement will apply and, as with national significant infrastructure projects under paragraph 1.4.5, the 'need' will not be revisited as part of the application for development consent.'*
- Paragraph 2.6.15 *'Other infrastructure types or technologies not specified in the Planning Act evaluated during the preparation of water resources management plans, may be considered under the Planning Act following a direction by the Secretary of State under section 35, as set out in section 161. This could include other options to enhance the storage capability of the water supply system and water available for use, including but not limited to effluent re-use schemes and aquifer re-charge.'*
- Paragraph 2.6.16 and Paragraph 2.6.17, go on to state *'Recycling water through effluent reuse has the advantage of being a constant, reliable supply of water and may reduce the amount of water abstracted from the environment. It can also supplement river flows' and 'Whilst not identified as a separate water resource activity in the Planning Act, large scale effluent reuse is likely to result in large transfers and be part of the water resources management plan. In such circumstances, the transfer may qualify as a* nationally *significant infrastructure project when assessed against the relevant threshold in the Planning Act. ….. Alternatively, and if appropriate, such a scheme might be considered through a section 35 direction.'*

[5] Page 195 WRMP24

4.1.23 The need for the Project to be delivered (and promptly) is also recognised in Ofwat's 'accelerated infrastructure delivery project: final decision', which provides approval to bring forward water company investment in demand management activity and new sources of supply that would achieve benefits by 2030. Schemes are only accelerated where companies have demonstrated a clear need and benefits to customers and the environment. OFWAT's accelerated process guidance states '*We have approved the acceleration of the design of the… Lowestoft reuse schemes for the Essex and Suffolk area, given the linkages of these schemes to the Suffolk Strategic Network and Storage pipelines scheme, which we had previously proposed to approve*.'[6]

4.1.24 The Project (including the Principal Development) is, therefore, of national significance by virtue of its role in securing water supply for customers as recognised by the Regional Plan, Ofwat and the WRMP24 and the grant of a section 35 direction is supported by the Water Resources Infrastructure NPS.

Scale of development and area of impact

4.1.25 The Principal Development is of a substantial size and would comprise an AWRP with a maximum daily deployable output of approximately 11 Ml/d and an approximate land take of 9ha, a network of strategic water pipelines approximately 120 km in length, two SRs with a combined approximate land take of 8ha, across seven local authorities (East Suffolk Council, Mid Suffolk Council, Suffolk County Council, Norfolk County Council, Great Yarmouth Borough Council, South Norfolk Council and The Broads National Park).

4.1.26 The geographical coverage of the Project is significant, extending across three WRZs, supplying 300,000 customers, and interacting with key environmental assets, including the River Waveney. The multiple sites and linear elements of the Project also mean that it has the potential to give rise to larger-than-local construction and environmental impacts (both adverse and beneficial) which could give rise to effects across the local authority areas within the vicinity of the Project (albeit these effects would be appropriately mitigated where practicable and in line with legal and policy requirements). These potential impacts include those relating to construction traffic, the historic environment, biodiversity, landscape and visual amenity, water quality, air quality, land use and open space, and noise and vibration. The Project also has the potential to affect both internationally designated and non-designated habitats and European Protected and other protected species which are not confined to a specific local authority area.

4.1.27 The 2013 PS recognises that size, in itself, is unlikely to be the determining factor in whether a project is nationally significant or not, however, it is evident that the Project is of a substantial size.

4.1.28 Accordingly, it is clear that the proposed scale of the Project (including the Principal Development) means that it is necessary and appropriate to designate it as a development of national significance.

Contribution to UK's environmental objectives, driving sustainable growth

4.1.29 The Project would make a significant contribution to the UK Government's environmental objectives and policy priorities, thereby driving sustainable economic growth.

4.1.30 Paragraphs 3.4.2 and 3.4.3 of the Water Resources Infrastructure NPS recognises that new water resources infrastructure projects have the potential to deliver significant benefits and enhancements resulting in wider environmental net gains and progressing towards national policy priorities such as improvements to water quality. Suffolk has the highest number of water dependant Sites of Special Scientific Interest (SSSI), consequently, this restricts available groundwater abstractions, adding more pressure for the development of viable water resource

[6] https://www.ofwat.gov.uk/ofwat-gives-go-ahead-to-accelerate-schemes-totalling-2-2bn

projects. The Project would make a significant contribution to the UK Government's environmental objectives, international commitments and policy priorities by protecting river habitats, removing the environmental risks and impacts from emergency Drought Permits and Drought Orders that would otherwise have to be deployed in drought conditions to maintain essential water supplies. Such Orders could have adverse effects on the Broads SAC and the Waveney and Little Ouse Valley Fens SAC, therefore, it is crucial that this significant national Project is delivered at the earliest opportunity to address the deficit of water supply and provide resilience for the Suffolk WRZs, whilst offering appropriate environmental protections in light of the sensitive areas of nature in the surrounding areas.

4.1.31 Until the Project is delivered, ESW are forecasting a water supply deficit as early as 2026/27 and will have to request a delay to the imposition of abstraction licence reductions via an application for an exemption to Regulation 19 of the WFD on the grounds of overriding public interest (OPI). This is not a sustainable long term solution and the Project is necessary to deliver alternative supplies to enable the long-term protection and enhancement of the environment, and to prevent a' no deterioration' in the Broads SAC. ESW must demonstrate in its exemption application that it is progressing its WRMP24 final plan schemes, including this Project, in a timely manner otherwise there is a risk of the exemption being declined. In addition to WFD abstraction licence sustainability reductions, ESW will need to make further sustainability reductions under the Habitats Regulations in autumn 2027. As the new schemes will not have been developed, ESW will also need to apply for an exemption under Regulation 64 of the Habitats Regulations on the grounds of Imperative Reasons of Overriding Public Interest (IROPI). It is therefore critically important to progress a long term solution to increase the supply of water, without continued reliance on derogations under the Habitats Regulation,

4.1.32 The Project would also provide mitigation against the impacts of climate change and extreme weather upon the environment by helping to ensure that target water levels and flows in the Norfolk Broads rivers (Waveney and Bure) and broadland lakes can be maintained at the same time as abstracting sufficient additional water to ensure resilience of mains water supply.

4.1.33 ESW has wider ambitions for the Project to support the health, well-being and future prosperity of communities. The Project will make a positive contribution to biodiversity net gain as ESW will aim to work with local partners and stakeholders to: a) improve the habitats of some of the region's most vulnerable habitats; b) achieve local environmental gains; and c) achieve progression towards national policy priorities such as reductions in greenhouse gas emissions, improvements to water quality, and increased access to natural greenspace. The provision of permanent on and off site environmental and amenity mitigation, whilst not yet fully designed, is expected to benefit the receiving environment and local communities living in proximity to the Project, as well as those who travel to visit the area.

Consents best secured by single DCO

4.1.34 In the absence of a section 35 direction, ESW would need to submit several planning applications for the Project (including the Principal Development) to at least four local planning authorities, within which elements of the Project are proposed to be located. The route corridors currently being considered for the water transfer pipelines traverse the administrative areas of East Suffolk Council, Mid Suffolk Council, Suffolk County Council, Norfolk County Council, Great Yarmouth Borough Council, South Norfolk Council and The Broads National Park, as illustrated in Figure 2. Given the complex nature of the construction and operational processes of the Project, which will require; works across multiple local authority boundaries, including a National Park; multiple sites with a multitude of statutory undertakers, owners and occupiers; and its interaction with the natural environment; sensitive and protected receptors and habitats, it is important that ESW can rely upon the certainty in the determination processes and timelines associated with a DCO.

4.1.35 Delivering planning permission for the Project under the TCPA increases the risk of not achieving timely project delivery which will have knock on implications for securing exemptions to WFD and Habitats regulations abstraction licence sustainability reductions. A DCO application supported by

the Regional Plan, WRMP24, Ofwat and the Water Resources Infrastructure NPS would address these concerns and provide clear policy support in the context of the decision-making framework for DCO applications under the Planning Act.

4.1.36 A DCO application would also provide a single process for conferring statutory powers (including powers of compulsory acquisition) and the majority of the requisite consents, permissions and licences for construction and operation of the Project, rather than requiring ESW to secure those authorisations and powers of acquisition individually under the TCPA or 1991 Act, among others.

4.1.37 These alternative processes significantly increase the risk of delay for the Project. A section 35 direction would enable ESW to "wrap up" the majority of these consents in a single application for a DCO which would be determined according to a comprehensive and inclusive examination process that all relevant and interested parties and authorities could fully participate in.

4.1.38 In turn, this would enable the Secretary of State to determine an application for the granting of the necessary powers, permissions, consents and licences in a coordinated, comprehensive and coherent manner with a predictable timeline to decision.

4.1.39 If consent is achieved through the DCO regime for the Project analysis suggests that construction could be completed in 2032. The Moratorium[7]is expected to remain in place until approximately 2033. In the meantime, this means that where mains water will be used for non-domestic purposes, ESW are unable to agree, either to increase water supplies above existing levels (where there is an existing mains water connection) and/or to agree new mains water connections.[8]

4.1.40 Furthermore, in the context of the Sizewell C DCO granted by the Secretary of State in 2022, ESW committed to supply the required water to SZC by way of a Section 55 agreement'. Sizewell C has now formally requested 2.2 Ml/d as an annual average supply and 2.9 Ml/d as a peak daily amount by 2032 to facilitate commissioning and operations of its Nuclear Power Station which is currently under construction.

4.1.41 Minimising risk of delay and uncertainty is therefore critical to enabling ESW to deliver the Project (including the Principal Development) to address identified needs and to meet ESW's obligations to deliver its WRMP24.[9]

4.1.42 Additionally, whilst the exact locations of the above ground infrastructure and detailed pipeline routes (both comprised within the Project) are still to be determined, the locations are likely to involve numerous land ownerships and other land interests and rights. It is highly likely that some land and rights needed for the Project will have to be acquired through compulsory powers.

Project important to the delivery of a NSIP or other Nationally Significant Development

4.1.43 The Project will facilitate the supply of mains water to SZC, an NSIP, and is therefore important for the delivery of SZC and the realisation of low-carbon energy which SZC will provide once operational. ESW considers that the Project meets the test of national significance judged on its own, however, it will also assist in delivering the significant economic benefits and growth which flow from SZC.

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[7] a temporary prohibition where the mains water will be used for non-domestic purposes

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[9] The Government's recent consultation on the National Planning Policy Framework (NPPF) (July-September 2024) made clear in its summary of consultation response ("Question 84 – Do you agree that we should improve the current water infrastructure provisions in the Planning Act 2008, and do you have specific suggestions for how best to do this?") that: "We agree there is an urgent need to deliver water infrastructure, such as the Strategic Resources Options in the water companies statutory water resources management plans. Water infrastructure can already be considered Critical National Infrastructure, and we will monitor the current pipeline of projects to consider if it would be beneficial to additionally define projects as Critical National Priorities beyond that of being in water companies' statutory plans, in which the Secretary of State has already recognised the urgent need to deliver the projects on time."

5 CONCLUSION

5.1.1 ESW requests that the Secretary of State gives a direction under section 35 of the Planning Act for the Principal Development because the Principal Development meets all relevant criteria under the Planning Act and is of 'national significance'.

5.1.2 The Principal Development is a project in the field of water which will be located entirely within England. It is of 'national significance' because the Principal Development (and the Project generally):

- Will play a critical role in enabling ESW to maintain a resilient and secure water supply in Suffolk and is recognised as a needed and important piece of infrastructure in WRMP24;
- Is a significant and complex piece of infrastructure which is of a substantial size, affecting the administrative areas of at least four local planning authorities;
- Mitigates the social and economic risks of water restrictions, safeguarding economic growth through resilient water supplies, and lifts the Moratorium;
- Would contribute to the UK's environmental objectives;
- Requires a variety of consents and permissions from various organisations and authorities (including temporary and permanent rights over land and acquisition of land) which will be best secured by a single DCO; and
- Plays an important role in the facilitation of SZC becoming operational, with NWL supplying mains water to SZC via the Project (as was discussed at length during the DCO process for SZC).

5.1.3 There are also major benefits to authorising the Principal Development via a DCO under the Planning Act including:

- The comprehensive assessment and timely delivery of a complex and significant piece of water resources infrastructure supported by the Regional Plan and WRMP24; and
- The ability to draw on strong and relevant national policy in relation to the Principal Development.

5.1.4 ESW further wishes to request that should the Secretary of State direct that the Principal Development is development for which development consent is required, they (as part of that direction) confirm, for the avoidance of doubt, that the Water Resources Infrastructure NPS applies to the Principal Development, such that any application for development consent for the Project must be determined in accordance with section 104 of the Planning Act.

APPENDIX A – GLOSSARY OF TERMS USED THROUGH THIS RE

Term	Definition
1 in 500 year	An extreme drought - the return period of a significant drought and which is the design drought year in the WRMP24.
Adaptive plan	Water companies use adaptive planning within WRMPs to account for uncertainties and ensure a resilient water supply across WRZs. This involves creating flexible WRMPs that can be adjusted as conditions change, such as during droughts or periods of high demand
DCO	Development Consent Order - a DCO is a statutory instrument that grants consent in accordance with the provisions in the Planning Act 2008 for Nationally Significant Infrastructure Projects or projects of national significance brought into the DCO regime by a section 35 direction. A DCO can combine consent to develop, operate and maintain a project, alongside a range of other approvals that would normally have to be obtained separately such as listed building consent, a marine licence and certain environmental consents. A DCO can also contain powers for the compulsory acquisition and temporary possession of land.
DEFRA	Department for Environment, Food and Rural Affairs.
Drought Order	Powers granted by the Secretary of State during drought to modify abstraction / discharge arrangements on a temporary basis
Drought Permit	An authorisation granted by the Environment Agency under drought conditions, which allows for abstraction / impoundment outside the schedule of existing licences on a temporary basis.
EIA	Environmental Impact Assessment (EIA) is a process used to evaluate the potential environmental effects of a proposed project or development
Habitats Regulations adaptive plan	A strategic framework as part of WRMP24 that ensures ESW complies with the Conservation of Habitats and Species Regulations 2017 while planning for long-term water supply. It integrates adaptive planning principles with the Habitats Regulations Assessment (HRA) process to protect designated European sites (like SACs and SPAs) from adverse effects caused by water resource developments
Joint Local Authority Group	Stakeholder forum set up for the Project to engage with the Host Authorities during the pre-application process.
Least cost modelling	Refers to a strategic approach used by water companies to identify the most cost-effective combination of supply and demand options that meet future water needs over a long-term planning horizon.
LPA	Local Planning Authority.
NSIP	Nationally Significant Infrastructure Project.
Planning Horizon	time period over which water companies forecast supply and demand, assess risks, and develop strategies to ensure a sustainable and resilient water supply.
Principal elements of the Project	The core components or key features of a proposed Nationally Significant Infrastructure Project (NSIP) or Project of National Significance (PNS) that are being submitted for approval.
Ramsar	Wetland site of international importance designated under the Ramsar Convention.
RAPID	Regulators' Alliance for Progressing Infrastructure Development - formed to help accelerate the development of new water infrastructure and design future regulatory frameworks. Made up of the three water regulators: Ofwat, the Environment Agency and the Drinking Water Inspectorate. It was established with the intention of providing a seamless regulatory interface, working with the industry to promote the development of national water

APPENDIX A – GLOSSARY OF TERMS USED THROUGH THIS RE

Term	Definition
	resources infrastructure that is in the best interests of water users and the environment.
Section 35 direction	Direction in relation to a project of national significance under section 35 of the 2008 Act.
SAC	Special Area of Conservation - land designated under the Conservation of Habitats and Species Regulations 2017 (as amended) in England and Wales and the Conservation of Offshore Marine Habitats and Species Regulations 2017 (as amended) in the UK offshore marine area. Important high-quality conservation sites that will make a significant contribution to conserving the habitats and species.
Supply demand balance	In water resource planning this refers to the quantitative comparison between the available water supply and the forecasted demand over a defined planning horizon.
SSSI	Site of Special Scientific Interest - area of land in England notified as an SSSI under the Wildlife and Countryside Act 1981 (as amended) for wildlife and natural features, supporting many characteristic, rare and endangered species, habitats and natural features.
SPA	Special Protection Areas are protected areas for birds in the UK classified under the Wildlife and Countryside Act 1981 (as amended) and the Conservation of Habitats and Species Regulations 2017 (as amended) in England, Scotland and Wales; the Conservation of Offshore Marine Habitats and Species Regulations 2017 (as amended) in the UK offshore area; and other legislation related to the uses of land and sea.
SoS	Secretary of State for Environment, Food and Rural Affairs.
WFD	Water Framework Directive 2006/60/EC - a framework for the protection of inland surface waters, estuaries, coastal waters and groundwater brought into effect in England and Wales through the Water Environment (Water Framework Directive) (England and Wales) Regulations 2017.
WRSE	Water Resources South East, made up of an alliance of the six water companies that cover the South East region of England, tasked with developing a regional resilience plan for all users of water that will then be used as the starting point for water supply investment by each water company in the region including Southern Water's operational area.
WSW	Water Supply Works - a site whereby raw water is taken from the environment, treated and discharged into the distribution network supplying homes, businesses and industry.
WRC	Waste Recycling Centre – where raw sewage from domestic and industrial customers is treated to remove contaminants before it can be returned to the water cycle/discharged back into the environment.

APPENDIX B – SUMMARY OF THE PROJECT WITHIN THE CONTEXT OF THE WRMP

1. The WRMP24 forecasts a baseline supply-demand balance deficit in the Hartismere and Blyth WRZs, and confirms that new water resources are required to supply these WRZs.

2. It is anticipated in WRMP24 that once the Suffolk Strategic Network & Storage Enhancement scheme was operational in 2028/29, this would allow surplus water within the Northern Central WRZ to be transferred into Hartismere and Blyth WRZs to enable the sustainability reductions required for the Water Industry National Environment Programme (WINEP) and Water Framework Directive (WFD) 'No Deterioration' to be delivered in those zones.

3. Although the baseline modelling undertaken as part of the WRMP24 assessed the impacts of the majority of expected sustainability reductions, it has not taken account of, *"…sustainability reductions and / or stricter Hands off Flow (HOF) conditions for up to thirteen groundwater and surface water sources by 2026/27 to meet the requirements of the Conservation of Habitats and Species Regulations 2017 (the Habitats Regulations), due to the effects of abstraction on the Broads SAC and Waveney and Little Ouse Valley Fens SAC*."[10] However, this has been considered as part of the 'Habitats Regulations Adaptive Plan' within WRMP24.

4. Under the Habitats Regulations Adaptive Plan, the additional sustainability reductions are likely to remove any supply headroom within the Northern Central WRZ. There will therefore be no surplus until ESW are able to deliver supply side schemes including Lowestoft Reuse, to replace the reduced deployable output. The EA's proposed changes to abstraction licences[11] are mainly due to be applied by 2030 for WFD, with the exception of those on time limited licence that will need to be capped earlier at their renewal date. This has resulted in a deficit in the Hartismere WRZ from the beginning of the planning horizon to beyond 2030 until ESW is able to deliver new supply schemes to replace the reduced deployable output.

5. The extent of the new Habitats Regulations sustainability reductions will be confirmed in spring 2027 for implementation by autumn 2027, thus bringing forward supply deficits. However, ESW have worked collaboratively with the EA to agree likely sustainability reduction values in the WRMP24 as part of the Habitats Regulations Adaptive Plan. The likely sustainability reduction values would result in a period of deficit in Northern Central WRZ and Hartismere WRZ in 2026/2027 and the Blyth WRZ in 2032. The Least cost modelling (as per the WRMP24) has selected schemes with shorter lead in times to meet the deficit, namely Lowestoft Reuse. Therefore, it is anticipated that ESW needs to work with the EA to develop a 'glidepath' of sustainability reductions and compensatory measures between 2026/27 until supply side schemes to replace the reduced deployable output are delivered.

6. The WRMP24 confirms that ESW is facing significant uncertainties regarding the full extent and scale of infrastructure required to be delivered in regard to supply. The uncertainties are in large part being driven by the delay in the EA's ongoing review into further sustainability reductions (which may be required to ensure regulatory compliance for European protected sites). In light of what is currently known about the likely severity of those sustainability reductions, and the need to lift the Moratorium to support economic growth, it is clear that the Project is urgent and critical.

[10] Page 15 WRMP24

[11] The EA will cap abstraction licences in areas at risk of deterioration

APPENDIX C – REGULATOR AND STAKEHOLDER ENGAGEMENT

1. ESW has undertaken informal stakeholder consultation and engagement on the Project and this will continue as the Project is progressed through the consenting process.

Statutory Stakeholder Engagement on Suffolk Water Supply projects

2. Since the publication of the WRMP24, ESW have engaged with statutory stakeholders on a programme level basis (Suffolk Water Supply projects), which includes Lowestoft Reuse and Suffolk Strategic Network and Enhancements (amongst other projects set out in the WRMP24), discussing the need for the Project, the supply demand deficit and the proposed consenting strategy and proposals to utilise the Planning Act 2008 regime.

3. ESW held an initial LPA webinar (27th February 2025) to discuss the schemes set out within the WRMP24 and then a more detailed briefing (18th March 2025) for which all local authorities in Suffolk and Norfolk within ESW's WRZs were invited to, to discuss water resource planning and schemes, environmental impacts and benefits, water efficiency and metering, investment growth, and drought plans.

Engagement and consultation for the Project

4. Since the briefings (outlined above) ESW has commenced engagement with all Host Authorities on a Project level basis and the Host Authorities have been provided an opportunity to comment on the Project, scheme development process and outputs. ESW continue to engage regularly with the Environment Agency and Natural England and have commenced engagement on the Project with those bodies, providing an opportunity for feedback on the scheme development process and outputs as well as water quality and flow monitoring sampling strategy and engagement with regards to HRA scoping and BNG.

5. ESW are also engaging and collaborating with key stakeholders which interact with the Project, namely SZC and Anglian Water.

6. ESW has also commenced engagement with identified registered landowners of all currently identified potential corridor options and sites for the Project, to build relationships and to initially secure access for walkover surveys. Following submission of this 'qualifying request', ESW will continue to engage with all stakeholders with land interests relevant to the Project, including via consultation in accordance with section 42(1)(d) of the Planning Act 2008. Early negotiations with landowners regarding potential option agreements for securing land interests for the Project will be undertaken.

APPENDIX D – DRAFT S35 DIRECTION

Suffolk Water Recycling, Transfer and Storage

Direction given by the Secretary of State under Section 35(1) of the Planning Act 2008 (as amended) relating to Suffolk Water Recycling, Transfer and Storage

1. By a letter to the Secretary of State received on XXXX ("the Letter") Essex and Suffolk Water ("the Applicant") formally requested the Secretary of State exercise the power under section 35(1) of the Planning Act 2008 ("the Planning Act") to direct that the Suffolk Water Recycling, Transfer and Storage project referred to in the Letter ("the Project") be treated as development of national significance for which development consent is required.

2. The Secretary of State has made a decision within the deadline set out in section 35A(2) of the Planning Act and wishes to convey that decision.

3. Having considered the Applicant's request and the details of the Project, the Secretary of State is satisfied and has concluded that:

   - the Project is, or is a part of, a project in the field of water;
   - the proposed project is within England;
   - no application for consent or authorisation mentioned in section 33(1) or (2) of the Planning Act has been made in relation to the Project; and
   - the Letter therefore constitutes a "qualifying request" in accordance with section 35ZA(1) of the Planning Act.

4. In coming to these conclusions, the Secretary of State notes that the Project relates to the construction of new infrastructure for the purposes of water transfer and thus sits within one of the qualifying infrastructure fields listed in section 35(2)(a)(i) of the Planning Act, namely water.

5. The Secretary of State notes from the Letter that the Project comprises the following:

   The Principal Development would comprise the following:

   - An Advanced Water Recycling Plant (AWRP) with a maximum daily deployable output of 11 Ml/d. The site for the AWRP is likely to require approximately 9 hectares (ha). The AWRP will receive 16 Ml/d of treated wastewater from the existing Lowestoft Water Recycling Centre (WRC) operated by Anglian Water Services.
   - Construction of a new pumping station and potential minor modifications to the existing works at the Lowestoft WRC, which is owned and operated by Anglian Water, to divert treated wastewater to the proposed AWRP.
   - Two proposed Service Reservoirs (SRs) for storage of drinking water, located at strategic locations for onward supply and storage. The two SRs are to be sized to provide 36 hours of storage. The central SR will have a capacity of approximately 17ML and the western SR will be approximately 13ML. It is likely the SRs will require a construction site size of approximately 4ha each.

6. A network of proposed pipelines (totalling approximately 120km), connecting existing infrastructure to proposed infrastructure, transferring new water sources to be treated for onward supply and storage. These consist of the following key pipeline routes:

- Pipeline from Lowestoft WRC to the proposed AWRP, transferring approximately 16 Ml/d of treated wastewater;
- Pipeline from the proposed AWRP to a proposed outfall along the River Waveney transferring approximately 11 Ml/d recycled water to be discharged in the River Waveney located within the Broads National Park. Abstraction from the River Waveney would be via the existing Barsham Water Treatment Works (WTW) abstraction point near Shipmeadow.
- A long sea outfall pipeline is proposed from the proposed AWRP site, to discharge concentrated residual water.
- Pipeline from the existing Barsham Water Treatment Works (WTW) to the central SR transferring approximately 18 Ml/d drinking water. A pipeline connection will be required from the central SR to the existing ESW Lodgewood water tower. In addition, a pipeline connection will be made to Walpole WTW.
- Pipeline from the central SR to the western SR transferring approximately 10 Ml/d drinking water. Distributions pipelines from the western SR will be required in the Eye area.
- Pipeline from central SR to the existing Saxmundham water tower transferring approximately 9 Ml/d drinking water.
- Pipeline from near Saxmundham water tower to Sizewell C Nuclear Power Station (SZC), which was granted a Development Consent Order in 2022.
- Pipelines from the western SR to the existing local water network for the distribution of drinking water to customers.

7. Other associated development (within the meaning of section 115(1)(b) of the Planning Act) including, but not limited to: a range of associated development (as defined by section 115(2) of the Planning Act), which may include, but is not limited to: Landscaping, environmental mitigation, enhancement and compensation measures, accesses and utility connections as identified by the ESW for the site including electrical sub-stations, telecoms, water and sewerage facilities, temporary works to support construction, works to support operation and maintenance (including pipelines), site accesses, temporary and permanent utility connections, highway diversions and landscaping, environmental mitigation, enhancement and compensation measures and ancillary matters (including matters that fall within the scope of section 120 of the Planning Act).

8. A range of associated development (as defined by section 115(2) of the Planning Act), which may include, but is not limited to:
   - Landscaping, environmental mitigation, enhancement and compensation measures;
   - Accesses and utility connections as identified by the ESW for the site including electrical sub-stations, telecoms, water and sewerage facilities;
   - Temporary works to support construction, works to support operation and maintenance (including pipelines), site accesses, temporary and permanent utility connections, highway diversions and landscaping, environmental mitigation, enhancement and compensation measures; and
   - Ancillary matters (including matters that fall within the scope of section 120 of the Planning Act).
   - (together, the ‘Associated Development’) and, ancillary matters ("the Ancillary Matters").

9. The Project does not include the construction of any dwellings.

10. The Secretary of State is of the view that the Principal Development by itself is nationally significant for the reasons set out in Annex A below.

APPENDIX D – DRAFT S35 DIRECTION

THE SECRETARY OF STATE HEREBY DIRECTS that the Principal Development, namely the main components of the Suffolk Water Recycling and Strategic Enhancement Project, to be carried out in whole or part by the Applicant is development for which development consent is required. Any application for development consent for the Project may also include any matters that may properly be included in a development consent order (in accordance with section 120 of the Planning Act) including ancillary matters (section 120(3)) and associated development (within the meaning of section 115(2) of the Planning Act).

THE SECRETARY OF STATE FURTHER DIRECTS that the Project is also to be treated as development in relation to which the National Policy Statement for Water Resources Infrastructure has effect.

This direction is given without prejudice to the Secretary of State's consideration of any application for development consent which may be made in relation to all or part of the Project.

Signed by

[name of person signing]
[position or role of named person]

Authorised to sign on behalf of the Secretary of State [date]

APPENDIX D – DRAFT S35 DIRECTION

Annex A – reasons for the decision to issue the direction

1. The Secretary of State is of the opinion that the Principal Development, namely the main components of the Suffolk Water Recycling, Transfer and Storage are nationally significant and are therefore treated as a project for which development consent is required having in particular taken into account that the project would:

    - be for a complex and substantial scheme, involving extensive infrastructure works and requiring multiple powers and consents (including multiple planning permissions, compulsory acquisition powers and highway orders), which should be seen as nationally significant development in its own right; and

    - benefit from an application being determined in a timely and consistent manner by the Secretary of State, and by removing the need to apply and the uncertainty of applying for a large number of separate powers and consents.

2. Furthermore, the Project would:

    - Provide water supply resilience to the Suffolk area, enabling a reduction in the amount of water taken from the environment, reducing reliance on abstraction;

    - Support the ESW's environmental ambition and the Environment Agency in delivering abstraction licence reductions.

    - Allow the lifting of a moratorium on non-domestic water supplies and enabling economic growth in the impact areas.

APPENDIX E – SUMMARY ECONOMIC REPORT

Background and Context

1. This annex presents the key findings and methodology behind the work produced by Savills for Essex and Suffolk Water (ESW) to estimate the economic loss arising from the Moratorium

2. The Moratorium, which covers the town of Eye and surrounding villages, introduces a temporary restriction on any new non-domestic water connections and any increase in usage above historic levels for existing connections. This poses a barrier to economic growth. Non-domestic activities within the scope of the Moratorium include manufacturing and processing, livestock production, irrigation, and cooling systems.

3. The GVA assessment estimates the economic loss associated with delaying delivery of the Project and supporting infrastructure needed to lift the Moratorium. It quantifies the foregone GVA in the agricultural and commercial sectors that would result if the project is not progressed via the DCO process.

4. Specifically, if the Section 35 direction is granted and the project proceeds on schedule, the Moratorium could be lifted by 2032[12]. The period between 2032 and 2034 is therefore referred to as the 'foregone GVA period', during which these economic losses could be avoided through earlier completion of the Project. Irrespective of the exact dates, the foregone GVA figures are presented as annual averages over the modelling period (2025–2034) to give a sense of the impact for each year of delay.

Methodology

5. The approach to estimating GVA follows the HM Treasury's Green Book, which provides best-practice guidance for assessing the economic impacts of public policy and investment decisions.

6. The Hartismere WRZ has been defined as the Study Area for this assessment. This geography forms the basis for evaluating relevant property market and economic data associated with non-domestic activities likely to be affected by the moratorium.

7. The GVA model captures both direct operational impacts and indirect impacts within the wider supply chain. The latter are estimated using sector-specific multipliers to reflect the effects of reduced activity across linked industries downstream in the supply chain.

8. To model the GVA baseline and forecast agricultural and commercial activity within the Hartismere WRZ, historical regional and local data has been reviewed, including:

   - Verisk, Land Cover Map of Great Britain – 2024 Edition. Geographic Information System (GIS) dataset licensed for commercial use, 2024;
   - Defra, Structure of the agricultural industry in England and the UK: Key land use, crop areas, livestock populations and agricultural workforce by Local Authority, 2024;
   - Defra, Total Income from Farming in the Regions of England: 2023 - ITL1 Per Hectare, 2024;
   - HM Treasury and Office for National Statistics (2025), GDP Deflators at Market Prices, and Money GDP;
   - Office for National Statistics (2023), Input-Output Analytical Tables, 2021 edition; and
   - Defra, Farm Business Survey: Irrigation in England, 2015/16. Department for Environment, Food & Rural Affairs, 2016.

[12] This date has been used for the purpose of the GVA assessment

- CoStar Group, Commercial Property and Occupier Data for Mid Suffolk District.
- Homes and Communities Agency (HCA), Employment Density Guide, 3rd Edition, 2015.
- Oxford Economics, Local Authority Forecasts – Mid Suffolk: GVA, Employment by Sector, 2022.

Summary of Findings

Total Foregone GVA

9. The total average annual GVA loss associated with the Moratorium across the Hartismere WRZ is estimated at approximately £5.6 million. This figure comprises an estimated £3.0 million in annual foregone GVA from the agricultural sector and £2.6 million from non-agricultural sectors.

Sector	2025 Baseline GVA (£m)	Average Annual Foregone GVA (£m)
Agriculture	105.8	3.0
Non-Agriculture	453.9	2.6
Industrial & Logistics (Light Industrial, Industrial)	*109.8*	*2.50*
Food & Beverage	*2.43*	*0.046*
Hotels	*1.26*	*0.029*
Total	*559.7*	***5.6***

Source: Savills, 2025.

Agricultural Economic Activity

10. Mid Suffolk's rural economy is underpinned by high-quality arable and livestock farming, with recent growth in water-intensive livestock and poultry operations. The Moratorium creates a significant barrier to growth in these sectors, preventing farms from expanding capacity, investing in water-dependent infrastructure, or adopting productivity-enhancing technologies.

11. The estimated 34,600 hectares of agricultural land within the WRZ generates approximately £54.4 million in direct GVA in 202513. Applying a standard multiplier14 to reflect wider supply chain and induced effects increases the total to £105.8 million GVA, after allowing for a 25% displacement adjustment.

12. Defra data shows that the farmed area in Mid-Suffolk has remained stable over the past two decades, meaning recent GVA growth has been driven by productivity, rather than land expansion. Analysis of East of England data (2010–2023) indicates that, in real 2025 prices, GVA per hectare increased from £1,003 to £1,440, equating to a CAGR of 2.82%. This growth rate was applied to the WRZ's farmland, projecting total agricultural GVA to rise from £54.4 million in 2025 to £69.9 million by 2034.

13. The moratorium is likely to constrain future growth, with around 90% of farms reliant on mains or borehole water and therefore unable to expand water-dependent production. Applying sector multipliers (2.26) and a 25% displacement adjustment, the resulting total foregone GVA (direct + indirect) is estimated at around £3.0 million per year between 2025 and 2034.

[13] Defra, agricultural economic output per hectare by region13 (East of England).

[14] Office for National Statistics (2023), Input-Output Analytical Tables, 2021 edition. GVA multiplier for A01: Crop and Animal Production derived from sector-level total GVA composition, combining direct and indirect effects.

Non-Agricultural Activity

14. Mid Suffolk's non-agricultural economy is supported by a mix of industrial, logistics, retail, hospitality, and office-based sectors. The Babergh and Mid Suffolk Joint Local Plan (2023) identifies industrial and logistics as a priority growth sector, with sites like Eye Airfield earmarked for expansion. However, the moratorium potentially constrains growth in water-dependent activities such as food processing, brewing, hospitality, and manufacturing.

15. Within the Hartismere WRZ, there is approximately 320,000 sq m of occupied commercial space (NIA), comprising warehouse space (239,400 sq m), light industrial (35,300 sq m), manufacturing (32,000 sq m), office (5,000 sq m), retail (3,900 sq m), food and beverage (F&B) (3,300 sq m) and hotel (circa 105 rooms)[15]. Applying sector-specific employment density assumptions[16], this floorspace supports an estimated 5,990 gross full-time equivalent jobs, with the majority in the I&L sector.

16. Using Oxford Economics' GVA per job benchmarks for Mid Suffolk[17], the direct GVA contribution of these sectors in 2025 is estimated at £242.7 million. Applying ONS Type I multipliers (indirect effects) adds around 4,120 indirect jobs and raises the total GVA contribution to approximately £453.9 million per year, net of a 25% displacement adjustment.

17. The Industrial/Light Industrial sector, contributing £109.8 million in GVA, is expected to see slower growth due to its reliance on process water. The F&B sector (£2.43 million baseline), with a 2025 baseline of £2.43 million, may also face restrictions on new openings or expansions. The hotel sector is relatively small (2025 GVA of £1.26 million) with a limited development pipeline; however, any new schemes could be affected if water demand exceeds welfare use. Warehouse/Distribution/Storage (B8), Office, and Retail (Storefront) uses are considered out of scope, with water consumption typically limited to domestic purposes only.

18. Over the period 2025–2034, the total average annual foregone GVA from non-agricultural sectors within the Hartismere WRZ is estimated at £2.6 million (direct + indirect). This was derived by applying Oxford Economics' year-on-year GVA growth rates for each sector to 2025 baseline values, and modelling the reduction in growth that would occur under the moratorium. ONS Type I multipliers were used to capture wider supply chain impacts, and a 25% displacement adjustment was applied.

19. The impact is concentrated in the Industrial/Light Industrial sector, with an average annual foregone GVA of £2.5 million, while hotels and F&B contribute £28,800 and £46,400 per year, respectively.

[15] CoStar, 2025.
[16] Homes and Communities Agency (HCA) (2015). Employment Density Guide, 3rd Edition.
[17] Oxford Economics (2022). Local Authority Forecasts – Mid Suffolk: GVA and Employment by Sector.