

## PLACE SCRUTINY COMMITTEE

MINUTES of a meeting of the Place Scrutiny Committee held at Council Chamber, County Hall, Lewes on 24 November 2022.

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| PRESENT      | Councillor Matthew Beaver (Chair) Councillors Sam Adeniji (substituting for Councillor Paul Redstone), Alan Hay, Julia Hilton (Vice Chair), Ian Hollidge, Stephen Holt, Eleanor Kirby-Green, Philip Lunn, Steve Murphy, Stephen Shing and Trevor Webb (substituting for Councillor Chris Collier).   |
| LEAD MEMBERS | Councillors Rupert Simmons   |
| ALSO PRESENT | Ros Parker, Chief Operating Officer<br>Philip Baker, Assistant Chief Executive<br>Ian Gutsell, Chief Finance Officer<br>Rupert Clubb, Director of Communities, Economy and Transport<br>Karl Taylor, Assistant Director Operations<br>Nick Claxton, Team Manager Flood Risk Management<br>Dr Toby Willison, Director of Quality and Environment, Southern Water<br>Dr Nick Mills, Head of Storm Overflow Task Force, Southern Water<br>Claire Colburn, Stakeholder Engagement Manager Sussex, Southern Water |

### 17. MINUTES OF THE PREVIOUS MEETING HELD ON 30 SEPTEMBER 2022

17.1 The Committee discussed the accuracy of the minutes of the last meeting and agreed to amend the minutes to reflect the concerns raised by the Committee about two specific economic development projects discussed under agenda item 6. A sentence will be added to the minutes to reflect this and that the Committee will take this up through the work programme.

17.2 The Committee RESOLVED to agree the minutes of the meeting held on 30 September as a correct record subject to amendment agreed by the Committee in paragraph 17.1 above.

## 18. APOLOGIES FOR ABSENCE

18.1 Apologies for absence were received from Councillor Chris Collier (Councillor Trevor Webb substituting) and Paul Redstone (Councillor Sam Adeniji substituting). Apologies were also received from Councillor Claire Dowling, Lead Member for Transport and Environment and James Harris, Assistant Director Economy.

## 19. DISCLOSURES OF INTERESTS

19.1 There were no disclosures on interests.

## 20. URGENT ITEMS

20.1 There were none.

## 21. RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR) 2023/24

21.1 The Chief Finance Officer introduced the report and outlined that the Council had received the Autumn Budget Statement and councillors had received a briefing on its content. The Autumn Budget Statement gave an indication of where the funding for local government is going to be allocated. The announcement indicates an overall increase in the level of funding, but further details of what this means for the Council will become clearer when further announcements on the provisional Local Government Settlement are made, which is expected around 21 December. The Fair Funding Review has been delayed until 2025 and there is no indication that there will be a multi-year settlement for local government.

21.2 The Chief Finance Officer summarised the key parts of the Statement:

- The 2023 Business Rate revaluation will go ahead with £13.6 billion available for transitional relief to support businesses affected, and the Council will be protected from the impact of any changes in revenue.
- There is a range of funding for Social Care: £600 million for the Better Care Fund and £400m to support discharges from hospital; £1.3 billion increase in social care grant for adults and children but it is not yet known what other funding streams are included in this figure and what the specific allocations will be.
- The implementation of Social Care reforms has been delayed from October 2023 to October 2025, but the funding to support the reforms will still be given to local authorities to help address service pressures in this area.
- Council Tax - The referendum limit has been increased from 2% to 3% and the Adult Social Care precept has been raised from 1% to 2%.

21.3 The Committee discussed the report and asked a number of questions. A summary of the discussion is given below.

- The use of redundant shops was discussed. This reflects that fact that some high street chains have closed shops and the Council is working on a scheme to re-purpose empty

shops. The Director of Communities Economy and Transport (CET) offered to provide further information on the scheme if members of the Committee are interested in receiving further details.

- Active Travel England survey to determine funding for cycling. Active Travel England have £30 million to allocate across all local authorities and there is a self-assessment process to allocate funding. The Council is in discussion with Active Travel England regarding this funding and it is hoped that the Council will hear the outcome by Christmas.
- The Committee asked if it was possible to split the jobs created and businesses retained performance targets. The Director of CET agreed look at those targets to see if they could be split.
- The Rights of Way (RoW) maintenance performance target has been lowered from previously achieved levels of 94% and 88% to 80% and the flood authority performance measure is 62% against a target of 80%. The committee asked for the reasons behind this. The Director of CET outlined that there are challenges around having enough resources to meet the flood risk targets, so more realistic targets have been set until the team can be brought up to strength. The Director of CET will come back to the Committee after the meeting concerning the RoW target.
- The number of outline business cases for properties target was six in the past and the performance target is now two. The Committee asked if this was due to resource constraints. The Chief Operating Officer outlined that properties for disposal are identified through the Property Asset Management and Disposal Strategy and that the Property team has a number of vacancies and is very busy, which has constrained the number of business cases they can deliver.
- The Refurbishment costs of the office space to be leased in Muriel Matters House in Hastings are reported to be £500,000. Councillor Hilton asked if further information could be provided on these costs as they appeared to be a little high based on the condition of the offices. The Chief Operating Officer agreed to provide Councillor Hilton with some information on a breakdown of the costs after the meeting.
- The Committee asked why the Council reports absence figures for education settings separately. The Chief Operating Officer outlined that the Council splits school and non-school data in case we wish to take a different approach to reporting.
- The Committee asked if the additional £1.3 billion funding for Social Care would help the Council balance the budget. The Chief Finance Officer responded that the Council will not know the Council's allocation of this funding until the announcement of the Settlement on 21 December. However, the funding will be used to address the service pressures and challenges being experienced in adults and children's social care.

21.4 The Committee RESOLVED to note the report.

## 22. SOUTHERN WATER STORM OVERFLOW AND SEWAGE DISCHARGES INTO THE SEA AND WATER COURSES IN EAST SUSSEX

22.1 Dr Toby Willison, Director of Quality and Environment, Southern Water introduced the presentation on Southern Water's work to tackle the issue of storm overflows and sewage discharges. He outlined that Southern Water places a high priority on its impact on rivers, water

courses and the sea. It has accelerated investment to tackle these issues, and this has included nature-based solutions and better water quality monitoring.

22.2 Toby Willison outlined that at the time of privatisation of the water industry, around 70% of sewage discharges went directly into the sea without treatment. There has been a huge improvement in treatment since then, with 95% of sewage coming into treatment works which is fully treated. However, it is important to recognise that residents' expectations of water quality and the quality of the environment have increased. Tackling the last 5% is the most challenging in terms of combined sewer overflows (CSOs) and spills into the environment. Southern Water as an organisation is absolutely committed to tackling this last 5%.

22.3 Dr Nick Mills, Head of Storm Overflow Task Force, Southern Water explained that the Task Force was set up twelve months ago to demonstrate the principles of how the use of storm overflows could be reduced through six pathfinder schemes. At present Southern Water is building a regional plan to meet (and exceed) the targets set in the Environment Act to reduce the use of storm overflows through a £2 billion investment programme. He outlined that there needs to be more transparency in the way the system and Southern Water operates.

22.4 It is important to separate surface water which is seen as being clean (i.e. it does not need treating) from foul sewage (e.g. from toilets). There are three approaches being taken to reduce storm overflows, which are:

- Source control. These are measures to prevent rainwater and ground water entering the combined sewer system.
- Optimisation of existing infrastructure and using more technology and monitoring.
- Building bigger infrastructure. This is expensive but it will need to be done in certain places.

22.5 In a typical water catchment area the majority of water entering the system in a storm event is surface water run-off and rainwater from roofs and roads. The base flow (i.e. the normal foul sewage flow that requires treatment) is usually quite low. The use of smart water butts and swales or Sustainable Urban Drainage Systems (SUDs) in modern housing developments can help reduce water flows in combined sewers and thereby reduce the need to use CSOs. These are the sort of areas where Southern Water would like to collaborate with other partners and be an investor, if necessary. However, it does not own these assets. At present there are pilot schemes with Kent County Council and in Fairlight near Hastings to trial some of these approaches (e.g. smart water butts).

Questions and Answers based on the presentation.

22.6 The Committee discussed the written responses provided by Southern Water to the questions the Committee had asked prior to the meeting. The Committee also asked further questions based on the presentation and a summary of the discussion is given below.

Communication and Engagement

22.7 The Committee observed that there is a great deal of public concern and anger about these issues. However, Southern Water do not appear to have done a very good job of engaging with the public and informing them about the nature of the problems. Many people do not understand the difference between storm water overflows, foul sewage and pollution spills such as the recent one at Galley Hill, Bexhill on Sea. The Red Flag bathing water quality warning system used to inform the public about a potential pollution risks is not clear and there needs to be better communication about its use and what it means.

22.8 In addition, the terminology used can be confusing when storm water pipes or outfalls for water courses are called sewer pipes. Better information is needed from Southern Water, and it should conduct a public awareness campaign. For example, instead of the pumping station at

Galley Hill being covered in graffiti, it could be used to provide information about the water treatment system and the outfall onto the beach.

22.9 Councillor Hollidge commented that the fact that Southern Water is not a statutory consultee on planning applications for new developments, which will connect to sewer network, is an issue that may need to change to give water companies more control over the sewer network. This is something that the Committee and councillors could go back to Government and local MPs to recommend a change. He also commented that West Sussex County Council has a water neutrality plan.

22.10 The Committee commented that utilising existing network capacity in different ways could be a quick win for communities in East Sussex and asked that Southern Water look at this in their plans.

22.11 The Committee asked what Southern Water's plans are to reduce the use of CSOs in East Sussex; are Southern Water really meeting the targets set out in the Storm Overflow Discharge Reduction Plan which sets targets for the water industry for the average number of discharges per outfall per year (which is no more than 18 per outflow per year by 2025 for Southern Water); and what is the definition of "unusually heavy rainfall".

22.12 Toby Willison thanked the Committee for their detailed questions, comments and suggestions and outlined that the Committee will have engagement from senior officers at Southern Water going forward and he is happy to attend future meetings as frequently as necessary. In response to some of the comments and questions, Southern Water is working on how they increase levels of public engagement and education on this issue and on the way the system operates. There also needs to be more joined up work between regulators, operators and Government on areas such as highways infrastructure investment (e.g. Department for Transport and DEFRA - the Department for the Environment, Farming and Rural Affairs) to find solutions for surface water run-off entering the sewer system.

22.13 The spill at Galley Hill was due to a failure in one of the assets which led to pollution of the Beach. This has been rectified and the Environment Agency (EA) will investigate and take action on the spill as necessary. However, this should not be confused with the long term use of CSOs which act as a relief valve in the system to prevent houses and businesses being flooded during heavy rainfall events. They are a legal and permitted feature of the sewer system which means discharges from CSOs are regulated and allowed. However, it is important to tackle the use of CSOs.

22.14 Nick Mills commented that combined sewers were a good way to tackle sewage issues in Victorian times, but that is not the case now. He agreed that planning reforms are needed at a national level to ensure the sewer system has the capacity and infrastructure to accommodate new developments. There are also some existing measures such as driveways where there is a lack of awareness that new non-permeable driveways of 5 m<sup>2</sup> or more require planning permission. Non-permeable driveways contribute to run-off into combined sewers which needs to be reduced. On sink holes in highways, if councillors advise Southern Water where they are, they will be investigated.

22.15 In terms of infrastructure investment, the Local Area Regional Plan will be available in draft form on Southern Water's web site in the New Year. Some projects will come forward for investment in the next two years subject to consultation with regulators and investors. The figure of 18 discharges per overflow per year in the Storm Overflow Discharge Reduction Plan is an average for the whole region and there will be some local CSOs that exceed that. There is no definition of "unusually heavy rainfall". It should be noted in all these figures the Environment Agency (EA) use something called the twelve, twenty-four count which is a way of normalising the numbers (e.g. a number of short discharges can be combined into one event, and in longer periods of rainfall where discharges may last for a number of days may be separated into 24 hour periods). Consequently, the Beach Buoy numbers may not match up with the EA figures and Southern Water may need to add more explanation on their web site. Nick Mills also offered

to provide some further explanation of the figures outside the meeting. Southern Water is piloting water quality monitoring buoys for year round monitoring of bathing water quality near outfalls which take a sample every 15 minutes.

#### Response to Question 19 on compensation for local communities

22.16 The Committee asked for the answer to question 19 regarding compensation for local communities to be looked at again as it does not appear to answer the question fully and there are other businesses and communities in Hastings and St. Leonards, Peacehaven and Seaford who have been affected by the pollution spills. The Committee would like a better answer to this question.

22.17 Toby Willison and Nick Mills agreed to re-draft the response and come back to the Committee with a better response to this question.

#### Collaboration

22.18 The Director of CET acknowledged the point about collaboration and outlined that he had been talking to fellow Directors around the country about this issue. He has met with the Head of Water Quality at DEFRA to talk about the points raised around collaboration and about how we find ways through the water company regulatory model to make investment where it is needed to deal with some of the 5% of untreated water discharges through CSOs.

#### Water Neutrality

22.19 The Director of CET commented that the point on water neutrality may relate to the Natural England statement of water neutrality for the whole Sussex north block zone which deals with abstraction for drinking water supplies and the impact on biodiversity. This is mainly abstraction from ground water aquifers and watercourses and is related to the delivery of housing in local plans. This is not such an issue for East Sussex which is supplied by Southern Water which has a number of reservoirs, with a new one planned in Clay Hill near Lewes. Water conservation measures will be important in this context, such as reducing demand and stopping leakage.

#### Planning system

22.20 Members of the Committee commented that making Southern Water a statutory consultee in the planning process is fundamentally necessary. The Committee also commented that although Southern Water may be consulted on specific planning applications on an individual basis, there needs to be some way of assessing demand arising from new developments which may put pressure on the sewer system in a more over-arching way.

22.21 Toby Willison explained that Southern Water is a statutory consultee on strategic plans but not individual developments. When they respond to strategic plans they can give a reasonable estimate of whether the sewer system can deal with the additional foul material from the proposed developments. The amount of foul material is not the limiting factor but the amount of run-off into combined sewers. The answer to ensuring there is enough treatment capacity is to take surface water out of the system which will take the pressure off treatment facilities. Southern Water is legally obliged to provide a connection to the sewer network, which is not a sustainable position.

#### Infrastructure failures

22.22 The Committee commented that the community are concerned that about successive infrastructure failures such as the pipe which kept failing at Bulverhythe. They and councillors want reassurances from Southern Water that it is committed to investing in infrastructure to fix and prevent such problems.

22.23 Toby Willison outlined there is a partnership approached to solving the issues at Bulverhythe and Southern Water is working with the Internal Drainage Board and the caravan park to take pressure off the system.

#### Work with other local authorities

22.24 The Committee asked if Southern Water could provide a list of the East Sussex local authorities that they are currently in dialogue with over planning applications, driveways and other preventative measures.

22.25 Toby Willison outlined that Southern Water is working with all local planning authorities and is now being more prescriptive around the use of swales and SUDs. The real challenge is with developments of less than ten dwellings rather than with the big housing developers. Southern Water is also working with Kent County Council highways to deliver roadside SUDs and there might be an opportunity to do something similar in Fairlight.

#### Water recycling and re-use

22.26 The Committee asked whether rainwater run-off could be used for drinking water or be stored for garden use (as in the case in other countries).

22.27 Toby Willison responded that water recycling can prevent water entering the sewer system and nature based solutions take water back into the environment. It is then available for other uses, but this is a longer term solution. In the South East of England treated water mainly goes into the sea and is not used elsewhere. Southern Water is looking at technologies where final effluent that has been through the treatment works can be returned to reservoirs where it is mixed and treated before being put back into the drinking water supply. There is an example of this being developed in Hampshire which will be the first water re-use system and this is no different to what happens in a river catchment.

#### Environment Agency one star rating

22.28 The Committee asked what Southern Water's views are of the current one star rating given to them by the EA, are there lessons to be learnt, and will the current work improve the rating.

22.29 Toby Willison responded that Southern Water is not happy about the rating and it is their number one priority to get from the current one star rating to a three star rating by the end of 2025. There is a programme of work built on learning from other companies to inform a really concentrated programme of learning and investment. This will include the use of sensors, logistics and control centres. There is also a pollution reduction plan on the Southern Water web site.

#### House building around Hailsham and the impact on the Site of Special Scientific Interest (SSSI)

22.30 Cllr Murphy described the number of large housing developments around Hailsham and the proximity to the Pevensey Levels SSSI. There are two treatment works in his division and asked if a site visit to one of them could be arranged for the Committee. Cllr Murphy also asked what measures were in place to protect the SSSI and whether infrastructure will be improved such as the sewage pipe which reduces in diameter from 9 inches to 6 inches which will serve the 500 houses in the Mill Road development and prevention of the Station Road development (adjacent to the treatment works) polluting the SSSI.

22.31 Toby Willison responded that he would have to come back to Cllr Murphy on the specific points around the infrastructure in Mill Road and Station Road in Hailsham. Mitigating the impact on the SSSI requires a joined up policy on flood risk and Southern Water is working with DEFRA and the local authority on this. Nick Mills added that they would be happy to arrange guided tours of water treatment facilities for Committee members.

#### Dry weather CSO discharges

22.32 The Committee asked why dry weather discharges from CSOs are happening when there is no rainfall.

22.33 Toby Willison explained that Southern Water is being totally transparent about the number of discharges and spills and reports them all to the EA and provides data for the Surfers Against Sewage App. EA then take a view on this and decide whether to investigate or not. The fact that Southern Water has more dry weather discharges than other companies may be due to better reporting. Southern Water is the lowest in the industry for the number of discharges and the second lowest for the duration of discharges. Nick Mills added that dry weather discharges could be due to broken or failed pipes allowing ground water to get into the system or groundwater infiltration through joints in public and private sewers. In these circumstances pipes can be lined to prevent this where they are owned by Southern Water. In addition, the network is large and it may take several days for all the water to drain through after a rainfall event has finished.

#### Leading Collaboration

22.34 The Committee asked who drives the collaboration and cross agency working in order to find solutions.

22.35 The Director of CET outlined that in Hastings the collaboration is led by the Flood Risk Management Team. He is working with Toby locally on collaboration and is raising this through ADEPT (Association of Directors of Environment, Economy, Planning and Transport) to collaborate at a number of levels on local projects and broader initiatives. Toby Willison added that there is a regional flood and coastal committee which leads on flood risk issues and there are opportunities to strengthen existing collaboration locally through Rupert and himself.

22.36 The Chair thanked Toby and Nick for attending the meeting and for their contribution to the Committee's understanding of this issue. It was noted that dialogue needs to continue between the Committee, Officers and Southern Water on this subject and the Committee will invite Toby and Nick to a future meeting. There will be a discussion of the next steps regarding the Southern Water item at the Place Scrutiny RPPR Board to allow sufficient time for the Committee to consider all the information and evidence they have heard.

22.37 The Committee expressed their disappointment that representatives from Ofwat and the Environment Agency had declined to attend the meeting and asked that this be noted.

22.38 The Committee RESOLVED to:

- 1) Note the presentation from Southern Water on the work they are undertaking to meet their target of reducing the use of storm overflows/CSOs by 80% by 2030;
- 2) Note the responses to the Committee's written questions from Southern Water, the Environment Agency and Ofwat;
- 3) Note the Committee's disappointment that representatives from Ofwat and the Environment Agency had declined to attend the meeting; and
- 4) Agree the next steps to be take on this item at the Committee's RPPR Board meeting in December with a view to having update report in six to twelve months time.

## 23. WORK PROGRAMME

23.1 The Committee discussed the work programme. It was noted that the Committee may need to allow some time at the next meeting for updates following consideration of the Southern Water item.

23.2 The Committee discussed the development and delivery of economic development projects following the discussion of the minutes of the last meeting, where a report on economic



development projects was considered. The Committee discussed the possibility of forming a scoping board to look at a possible scrutiny review of the delivery of projects by SeaChange and others, to see if there were any lessons that could be learned and how to track learning in future projects. It was also suggested that the scoping board could look at understanding better the opportunities for scrutiny to be involved in the various stages of the development of economic development projects. The Committee also agreed to add a report to the work programme on the Queensway Gateway project to understand the progress and the issues around the delay in the completion of this project.

23.3 The Committee discussed the content of a report on Community Asset Transfers and Asset Use, which is already on the work programme. It was suggested the report should also cover the Community Asset Transfer policy which was due to be updated in 2020; an outline of the successes of the SPACES programme which is due to end in 2023 and whether it has met its goal; some indication of how long and how many buildings or assets have remained empty or unused; and an update on the nine buildings that are under discussion for Community Asset Transfers with community groups (Cllr Hilton to provide a list after the meeting).

23.4 The Committee RESOLVED to:

- 1) Establish a scoping board to look at possible scrutiny review of the delivery of economic development projects including those by SeaChange to identify any opportunities for learning, and where scrutiny can best have an input into the project development process;
- 2) Add a report to the work programme on the Queensway Gateway project;
- 3) Agree the additional information requested in paragraph 23.3 is included in the future report on Community Asset Transfers and Asset Use; and
- 4) Add an update on the Southern Water item to the work programme following consideration of the report.

The meeting ended at 12.41 pm.

Councillor Matthew Beaver (Chair)