

PLACE SCRUTINY COMMITTEE

MINUTES of a meeting of the Place Scrutiny Committee held at Council Chamber, County Hall, Lewes on 28 November 2024.

PRESENT	Councillors Matthew Beaver (Chair), Ian Hollidge, Eleanor Kirby-Green, Steve Murphy, Paul Redstone, Stephen Shing, Colin Swansborough, Georgia Taylor and Brett Wright
PRESENT VIRTUALLY	Councillor Philip Lunn
LEAD MEMBERS	Councillors Nick Bennett, Penny di Cara and Claire Dowling
ALSO PRESENT	<p>Philip Baker, Deputy Chief Executive</p> <p>Rupert Clubb, Director of Communities, Economy and Transport</p> <p>Ros Parker, Chief Operating Officer</p> <p>Ian Gutsell, Chief Finance Officer</p> <p>James Harris, Assistant Director - Economy</p> <p>Nick Skelton, Assistant Director Communities</p> <p>Karl Taylor, Assistant Director - Operations</p> <p>Martin Jenks, Senior Scrutiny Adviser</p> <p><u>South East Water</u></p> <p>Douglas Whitfield, Director of Operations</p> <p>Nick Price, Head of Water Resources</p> <p>Jo Shippey, Community Engagement Manager</p> <p><u>Southern Water</u></p> <p>Tania Flasck, Director of Water Operations</p> <p>Sandra Norval, Water Strategy Manager</p> <p>Mike Russell, Stakeholder Engagement Manager</p>

17. MINUTES OF THE PREVIOUS MEETING

17.1 The Committee RESOLVED to agree the minutes of the meeting held on 23 September 2024 as a correct record.

18. APOLOGIES FOR ABSENCE

18.1 Apologies for absence were received from Councillors Chris Collier, Julia Hilton (Councillor Georgia Taylor substituted) and David Tutt (Councillor Colin Swansborough substituted).

19. DISCLOSURES OF INTERESTS

19.1 Councillor Ian Hollidge declared a person, non-prejudicial interest under agenda item 8, Scrutiny Review of Local Speed Limit Policy, as he is a supporter of the Living Streets campaign.

20. URGENT ITEMS

20.1 There was notification of one urgent item, which was consideration of the call-in of the Lead Member for Transport and Environment decision in relation to the Eastbourne Town Centre Movement and Access Package – phase 2a revised scope. This was considered under item 10 on the agenda (see minute 26 below).

21. WATER SUPPLY FUTURE DEMAND PLANNING AND WATER SUPPLY ISSUES

21.1 The Committee received presentation from South East Water (SEW) and Southern Water (SW) on their plans for future water supply in East Sussex and details of their response to recent water supply interruption incidents in the County. Both water companies are responsible for supplying water to different parts of East Sussex. Southern Water is responsible for providing waste water treatment services for the whole of East Sussex.

Presentation from South East Water

21.2 Douglas Whitfield, Director of Operations and Nick Price, Head of Water Resources gave a presentation to the Committee on the water supply future demand planning for South East Water. A summary of the presentation is given below.

21.3 South East Water supply drinking water over a large part of the southeast region. The east region is split into two areas, Sussex and Kent. Historically South East Water has developed over a number of years with the merger of a number of smaller water companies. This has meant that the design of the water supply network has evolved over time and would not be the way in which it would be designed today if starting from scratch. For example, the network has 86 water treatment works which is about the same number as Thames Water which supplies water to a much larger area.

21.4 There have been a number of water supply interruption incidents, including in East Sussex, as a result of weather extremes and water main bursts. In summer 2023 there was a short sharp hot spell which meant the demand for water increased. The Wadhurst area which was affected by a supply problem is on the edge of the boundary of the area that South East Water supplies, and it was not possible to pump enough treated water into the system to meet demand. This was not something South East Water wanted and was a result of a level of demand that had not been seen before. Post Covid there has been a change in the pattern of

demand and periods of weather extremes (wet weather and spells of hot dry weather) have brought forward future demand issues. In response to this South East Water has brought forward a scheme to feed the water supply for the Wadhurst area from the Kent area to provide resilience.

21.5 In August 2024 there were multiple burst mains which affected the Robertsbridge area of northern Rother. South East Water's staff responded to these bursts as quickly as possible, but the provision of bottled water was complicated by the subsequent burst of the initial burst main which was fixed and then failed again, and having to move the bottled water supply site.

21.6 South East Water has undertaken a review of its emergency plan to improve the response to water supply interruptions and is trying to react better to supply issues until infrastructure projects are completed to improve the resilience of the water supply network. The company has purchased two additional water supply tankers and has a further ten on order to improve its response. An Alternative Water Supply Manager has also been appointed who will be working with resilience forums and councils on plans for water supply interruptions. This includes plans for when to implement bottled water stations and there has been a good uptake of vulnerable people registering to be on the Priority Services Register. Other actions for improving alternative water supply in the event of a water supply interruption include:

- More water tankers which can inject water into the water supply network
- Dealing with livestock issues by working with larger farms e.g. to become more resilient in water supply
- Working with neighbouring water companies including putting in place agreements and arrangements for mutual aid
- Working with schools and care homes; and
- Developing the Aqualerter messaging tool to provide better information in the event of a water supply interruption, which can send bespoke messages to those registered with the tool.

21.7 Douglas Whitfield provided a project overview of a number of schemes that are taking place to upgrade and improve the resilience of the water supply network. The aim of these schemes is to link up areas in the west region to make the existing spine network of water mains more resilient. More detail of these projects is contained in the Business Plan. The Wadhurst scheme to install a new water main is three quarters complete and will be ready for summer 2025.

Water Resources Management Plan (WRMP)

21.8 Nick Price, Head of Water Resources gave an overview of the work being undertaken to ensure sufficient water supplies for the future and for nature. The Water Resources Management Plan (WRMP) is a long-term strategy which looks at the future demand and supply of water that also identifies any deficits that there may be and the actions to remedy them. Developing a Water Resources Management Plan is a statutory process which is open and transparent. WRMPs are updated every five years and South East Water has worked with other water companies in the south east when developing the Plan. The final WRMP 2024 was published in October 2024 following Secretary of State approval.

21.9 The two key challenges in terms of supply management are meeting the environmental requirements to leave sufficient water resources in rivers and habitats and meeting increased demand from population growth and climate change. There is a Government expectation that water companies will take a regional approach in developing their WRMPs and that water companies will work together to produce a regional plan which will cover things such as population growth, climate change, new infrastructure, protection of the environment, dry weather/drought resilience and water catchment solutions.

21.10 One of the other challenges in developing a WRMP which looks 50 years ahead is the uncertainty especially around the impact of climate change. In order to respond to this, South

East Water are using an adaptive planning approach which uses nine different future scenarios for planning. Using the most up-to-date and relevant tools, methods and data to produce supply and demand forecasts, the regional deficit by 2075 could range from 0.8 billion litres to 2.7 billion litres. Factors such as population growth, environmental needs and climate change impacts will be monitored over the course of the Plan, and the delivery of the Plan will be adjusted accordingly.

Future water supply challenges

21.11 One of the challenges in the Sussex area comes from future supply availability. Currently around 63% of water comes from groundwater sources such as the chalk aquifer and the sandstone aquifers in the north and north-eastern parts of the area. Around 30% of the water supplied is from two surface water reservoirs at Arlington and Ardingly and the remaining 7% comes from two bulk water imports from other water companies. However, the water supply is forecast to reduce as a result of climate change impacts and to ensure water abstractions are sustainable.

21.12 Nick Price outlined the predicted water supply and demand balance up to 2050 is based on the nine scenarios, with Situation 1 being the most challenging and Situation 9 being the least challenging. Under the nine scenarios, from 2030 Sussex will not have enough water to supply customers in a dry year without interventions. The baseline prediction shows a 15% increase in population by 2050 and a 22% increase by 2075 leading to a 14% increase in need for water. The WRMP is required to have a balance if not a surplus of water supply against demand.

21.13 To meet this challenge South East Water are planning to invest £1.1 billion in demand management interventions and to make the best use of the existing water supply. Plans include:

- Reducing leakage by 50% by 2050;
- Reducing water usage from 140 litres per person per day to 110 litres per person per day; and
- Working with businesses to reduce consumption by 15% by 2040.

21.14 There will also be increased spending on large scale infrastructure of £1.2 billion to address water supply issues such as building new reservoirs such as the new Arlington reservoir; new water transfers from other areas and; protecting water resources zones and increasing resilience.

Business Plan

21.15 Douglas Whitfield outlined that the way in which the WRMP is translated into investment is done through a five- year investment plan also known as an Asset Management Plan (AMP). We are just coming to the end of the seventh investment plan period and the plan for 2025-2030 (AMP8) was submitted to the regulator Ofwat in October 2023 for approval. This contained increased investment plans of £1.9 billion, which would mean an average increase of 19.6% on customer bills equivalent to an increase of £3.79 per month.

21.16 There are nine key areas of investment covering both base cost investment to maintain existing infrastructure and enhancement cost funding to try and develop more water resources such as the new reservoir in Broad Oak near Canterbury in Kent by 2025, as well as more network resilience and connectivity. Other investments include more drinking water storage facilities in Kent and rolling out smart meters to model usage and detect 'customer side' water leaks more quickly. Ofwat have responded through their 'Draft Determination', granting approximately £1.4 billion, a difference of £618 million, or 30 per cent less than was requested. The Committee were shown the impact of this in the project proposals specific to Sussex to improve resilience.

21.17 The roll out of smart meters should enable customers to be more aware of their water usage, but as water is relatively not very expensive, this may not have an impact on peak

demand. Other measures in the investment plan include reducing leakage; increasing the quality of raw water; more support for unplanned water supply interruptions and; enhanced water poverty schemes.

21.18 The next stages in timeline for the Business Plan and approval of AMP8 are for Ofwat to consider the water company responses to the draft determination and then for Ofwat to publish their final determination which is expected on 19 December 2024. Water companies can appeal the final determination, but that would delay the start of the investment plan AMP8 which starts in April 2025.

Climate Change Adaptation Report

21.19 South East Water will soon be publishing their Climate Change Adaptation Report Round 4 which includes a range of measures to manage the impact of climate change, including:

- Expanding the behaviour change campaigns and leak reduction measures
- Flood defence work has been completed at 59 sites, 33 remaining sites to be completed by 2030
- Working with UK Power Networks on resilience planning
- Installed new generators at key sites
- Installing ultrasonic probes to reduce algal blooms
- Installing 215 chlorine residual monitors which check saltwater levels as sea levels rise

Questions and comments from the Committee on the South East Water (SEW) presentation

21.20 The Committee asked a number of questions and made comments about the presentation. A summary of the discussion is given below.

21.21 The Committee asked whether SEW are installing generators and back-up power supplies in its water treatment and pumping stations to deal with water supply interruptions caused by power failures. Douglas Whitfield responded that the problem also extended to power surges, caused when the power networks re-route power through the grid, as water treatment equipment is sensitive to power 'blips'. There appears to be more power 'blips' which can lead to a 4 hour outage whilst the water treatment plant is re-started. SEW is looking at installing generators as part of the solution and is also looking at battery storage and Uninterruptible Power Systems (UPS) solutions as well as talking to the power companies.

Saving water and reducing demand

21.22 The Committee asked how SEW are planning to reduce water consumption levels and whether it is considering the use of progressive pricing and grey water systems. Douglas Whitfield outlined that SEW are planning to reduce the demand for water through a number of ways. One of the ways will be through communications and education to reduce demand and explain the environmental impact and impact on carbon emissions. However, there is not an easy answer to this and it is a long-term challenge. SEW has been working with other water companies and has been speaking to Australian water companies about this issue. Grey water systems can be implemented, but they require investment. Nick Price added that collaboration with partners on this issue is important and there has been a lot of discussion and work on trials to tackle this. Part of the solution is about technology, and another is around tariffs to engender a new culture that considers water as a precious resource. When considering progressive pricing and tariffs, one needs to be careful of the thresholds for hygiene requirements that a large family may have. The WRMP does consider what happens if the planned reductions in water demand are not achieved.

21.23 Some Committee members commented that customers do not believe the messaging around the need to reduce water consumption, especially in the light of wetter weather and flooding incidents when there appears to be plenty of water.

21.24 Tania Flasck, Director of Water Operations at Southern Water commented that it might be worth the Committee looking at the Waterwise web site resources which have been developed in collaboration with water companies and other partners. Going forward, collaboration will be key on issues such as ensuring new housing developments are as water efficient as possible.

Water Leaks

21.25 The Committee commented that it will be important for water companies to tackle leaks first, especially where there have been long-standing leaks. It asked whether there was a definition of a leak verses a burst and whether there was a threshold in the amount of water lost for action to be taken in repairing a leak. Douglas Whitfield responded that there was always more that could be done to tackle leaks. SEW will repair leaks in the most economic way possible. The cost of a repair is often higher than the cost of the water lost (£1 per 1,000 litres). Therefore, there is an economic level of leakage verses the investment required in the water supply infrastructure. In order to tackle all leaks, there would need to be investment in the network at a much higher level. SEW will continue to reduce leakage and invest to tackle unacceptable levels of leakage, but it will not be possible to get to zero leakage without substantial investment which would affect customer bills. Therefore, there will continue to be a level of leakage from the network. However, the plan for Sussex is largely to reduce leakage.

21.26 Douglas Whitfield also outlined that pressure reduction work is being carried out to reduce the likelihood of further water main bursts after repairs have been carried out and SEW would like to do further work on this. Water pressure is also reduced in periods of drought.

Aqualerter

21.27 The Committee asked what SEW were doing to publicise the Aqualerter system. Jo Shippey, Community Engagement Manager responded that Aqualerter is being promoted through customer newsletters and is mentioned in all press releases. Information on the system is also being provided through social media channels and through local authorities to get people to sign up to Aqualerter.

Water Supply Interruption in Northern Rother

21.28 The Committee commented that the bottled water stations set up initially for the northern Rother water supply interruption were in the wrong place and required an 8 mile round trip from Hurst Green. It asked whether more pre-planning on the location of bottled water stations in the event of a water supply interruption could be carried out. Douglas Whitfield outlined that SEW is working with Parish Councils and resilience forums to plan in advance where to set up bottled water stations and wants to provide a better response to water supply interruptions through alternative water plans. Alternative water plans are being rolled out to other areas in Sussex.

Priority Service Register

21.29 SEW confirmed that they do have lists of care homes and other vulnerable users who need alternative water supplied to them in the event of a water supply interruption. SEW can deliver water to people if they are on the Priority Service Register.

Water Desalination

21.30 Douglas Whitfield confirmed that water desalination is in the Water Resources Management Plan, but SEW will look at the most efficient and cost effective measures to increase water supply first before considering de-salination. Measures such as the new reservoir at Arlington and exploring the re-use of waste water will be considered before looking at desalination.

New Arlington Reservoir

21.31 Nick Price outlined that the plan is to construct a new second reservoir just to the north of the existing one and will capture excess flow from the River Ouse. Planning for the reservoir is in the early stages and further work is planned to review alternatives in order to confirm that it is the best option. A workshop has been held with Lewes District Council, Eastbourne Borough Council and Southern Water to look at the best option and the preferred solution. If construction goes ahead, the new reservoir would not be in operation until 2057 in Situation 4 (the reported preferred pathway) of the adaptive plan. SEW has also carried out sensitivity testing in its decision making and programme appraisal to look at the potential impacts and adjustments that would be needed to investment plans in the event that lower levels of demand reduction are realised. In this assessment, SEW has identified the earliest need to deliver the scheme is by 2041.

Source Protection Zones

21.32 Source Protection Zones (SPZs) exist to protect the quality of raw water from groundwater sources such as boreholes and aquifers. Some SPZs are increasingly subject to development and planning applications on land that is within or near these protection zones, threatening water quality.

Water efficient appliances

21.33 The Committee observed that it might be helpful to have water efficient domestic appliances that save water and commented that current gas combi boilers were wasteful of water due to the need to run the water for a period of time before the water was hot enough. Douglas Whitfield outlined the SEW works well with other bodies to promote water efficient devices and has lobbied Government for water efficiency rating labelling of white goods. Tania Flasck commented that Southern Water is undertaking a trial to look at the impact of combi boilers. She noted that all water companies are members of Waterwise who work collaboratively on water efficiency issues.

Climate Change

21.34 The Committee noted that there were three different climate change scenarios contained in the WRMP and asked what data sources were used in the modelling. Nick Price outlined that SEW do use different climate scenarios and follows independent guidance and Environment Agency advice in the development of its plans (e.g. the latest UK climate change projections). More detailed information can be provided on the data sources used after the meeting to the Committee. Action Nick Price.

Presentation from Southern Water.

21.35 Sandra Norval, Water Strategy Manager outlined that Southern Water (SW) is in the process of developing its latest Water Resources Management Plan (WRMP) which is currently out for consultation. This is a little behind SEW as more work was required on the Hampshire part of the WRMP. The consultation on the Southern Water WRMP is running between 11 September 2024 and 4 December 2024 so there is time to provide feedback on the Plan.

21.36 The Environment Agency (EA) has designated large parts of the SW water supply area as Water Stressed, which has an impact on demand management and implications for the way people behave regarding water consumption and water saving measures. SW is taking a twin track approach in the WRMP to look at demand and leakage. One of the main drivers in the South East is what the EA defines as “Environmental Destination” which means improving and enhancing the natural world and looking at the impact of water abstraction on the environment. These issues affect mainly the west of the SW area. Other key factors that affect demand are climate change, household population growth, business growth and drought resilience.

21.37 Reducing water leaks is a key issue over the life of the plan. There is also a Water Neutrality position statement which affects the abstraction in the north Sussex part of the area as abstraction is affecting habitats such as chalk streams. The position statement is intended to make developers think about limiting increases in demand and this has links to Local Plans and flood management.

21.38 Councils can help with these issues through planning policy which is moving in the right direction. There are opportunities to think differently such as capturing highways run-off, treating it and using it elsewhere. The Plan also includes catchment schemes to keep water in the best quality possible and to reduce the need to treat it through groundwater improvement schemes.

The East Sussex area Water Strategy for the period 2025-2035 includes:

- Reducing leaks
- Helping customers to use less water e.g. through communications and messaging
- Catchment schemes to address nitrates and pesticides and improve the resilience of water sources
- Groundwater improvements to provide more water.

For 2035-2050 it includes:

- Reducing leaks
- Helping customers to use less water through demand management
- Importing water from SEW to Canterbury and Rye
- Improve groundwater sources near Rye to provide more water
- Build a new reservoir in Sussex to store water from the River Adur

For 2025-2075 it includes:

- Reducing leaks
- Helping customers to maintain a sustainable level of water use
- Recycle water using new technology and store it in Darwell reservoir before treating it
- Catchment management and nature based solutions to improve the environment
- Import water from SEW to Brighton

21.39 SW do have Kent schemes for desalination in their WRMP but water recycling is more efficient. There is an Ofwat innovation fund bid to understand the impact of desalination and what you do with the hyper saline by-product from the process. SW is targeting investment to reduce water supply risks as it cannot abstract enough water to meet future demand due to the environmental requirements.

Hastings water supply interruption.

21.40 Tania Flasck provided further information on the water supply interruption in Hastings in May 2024. Hastings is supplied by two surface water reservoirs at Darwell and Powdermill. The burst main occurred in the main that links Darwell to the Beauport water supply works and was challenging to fix because of where it was located. SW has submitted a resilience case to Ofwat which includes the requirements for Hastings that include the complete replacement of the main. Going ahead with this work will be dependent on the final determination by Ofwat of the SW Asset Management Plan (AMP8).

21.41 The actions being taken to address the Hastings water supply issue include (depending on the Ofwat determination):

- Replacing the strainers at Darwell
- Addressing high risk water quality actions and updating the dosing system

- Installing water pressure monitors on the Darwell to Beauport main to provide early indication of problems
- Undertaking a variety of feasibility and design studies
- Increasing treated water storage; and
- By 2030 replace the Darwell to Beauport main, refurbish treatment plants and improve network connectivity, resilience and monitoring

Questions and comments from the Committee on the Southern Water presentation

21.42 The Committee asked a number of questions and made comments about the presentation. A summary of the discussion is given below.

21.43 The Chair commented that the residents of Hastings feel that Southern Water (SW) are not learning from incidents and that communications about the issues and the SW response have not worked as well as they could have. Tania Flasck, Director of Water Operations outlined that a lot of work is taking place on lessons learnt and there is a post incident review or 'playbook' on all major incidents. SW is trying to embed learning from incidents and to learn from others through the Resilience Forums and working with other water companies.

Protecting the environment

21.44 The Committee asked about the additional water supplies needed to enhance the natural environment. Sandra Norval, Water Strategy Manager responded that SW are required to plan to supply enough water for people to drink and for businesses, as well as to protect the natural environment and habitats from damage from over abstraction. There is a shift in emphasis towards water recycling and more efficient use of the existing water resource before returning it to the environment. For example, chalk streams are a precious habitat in which water flow is important. If aquifers are not being topped up, water abstraction from ground water sources has to take this into account.

Infrastructure condition

21.45 The Committee asked if SW is monitoring the quality of water supply mains infrastructure and whether the overall condition is improving, stable or declining. Tania Flasck responded that in terms of asset health, there has been a lot of work and investment in monitoring the condition of assets in the water supply network. Due to the history of the formation of the network SW does not know where all the assets are but the information is getting better. SW is looking to improve the monitoring of above and below ground assets such as the deterioration of pipes and to model the risk. However, this type of work is quite expensive.

Water recycling

21.46 The Committee asked about water recycling and the transfer of treated water into the water supply system. Sandra Norvall outlined that when considering the recycling of water, it has to be safe for the public to use. There is going to be work taking place on water smart communities together with Ofwat. Currently, there is some recycling of treated water for use in irrigation, but not returning it into the drinking water supply. It should be borne in mind that treated effluent is already returned to rivers and other water courses after which it can be abstracted for water supply use further downstream. Recycled water is of high quality and can be returned to reservoirs under current regulations. However, more work is needed on education and awareness with the public on the use of treated effluent in drinking water supplies.

Work with developers

21.47 The Committee asked what work SW is doing with developers on things like grey water systems and the local storage of rainwater for use by communities. Tania Flasck offered to

provide more information on SW work with developers on things such as rainwater harvesting etc. after the meeting. Action Tania Flasck.

Water leaks

21.48 The Committee asked if SW take the same approach as South East Water in relation to repairing leaks. Tania Flasck responded that tackling water leaks is a complex process and SW try and fix the biggest leaks first and there is an economic balance to be made for smaller leaks. SW are doing their best to tackle leaks and to detect where the leaks are occurring in the water supply network. A lot of work and innovation is focussed on tackling leaks.

21.49 The Committee RESOLVED to note the presentations from South East Water and Southern Water.

22. RECONCILING POLICY, PERFORMANCE AND RESOURCES (RPPR) 2025/26

22.1 The Deputy Chief Executive introduced the report and the Chief Finance Officer provided an update on the Council's financial position. In summary, throughout the year the Council has forecast a significant deficit in the Medium Term Financial Plan (MTFP). In September Cabinet received a report that the Committee then considered on the Council's financial and policy outlook and a proposed response to some of the challenges the Council was facing. At the end of October, the Budget was announced which contained a number of changes in the policy and financial outlook for the Council. The Government is expected to publish a more detailed Local Government Finance Policy Statement shortly, and the Provisional Local Government Settlement is expected to be announced on 19 December 2024.

22.2 In November Cabinet received a further update report on the Council's financial position and details of a range of potential savings, which is contained within the meeting papers. The RPPR report provides the Committee with the opportunity to consider the savings proposals, the changes in the planning and policy context, the updates to the MTFP and capital programme set out in the Cabinet report, and to identify any further information or work for consideration at the Committee's RPPR Board later in December.

22.3 The Chief Finance Officer gave an update on the Council's financial position. The MTFP for 2025/26 contains a budget deficit of £57 million which with a number of planned scenarios takes the deficit down to £29 million. The potential savings put forward by all departments comes to a total of £16 million, which leaves a budget gap of around £13 million.

22.4 The Budget announced on 30 October contained a number of increases in revenue and capital funding, with around £1.3 billion for local government. Included in this figure is £600 million for social care, of which the Council would expect to get around £6 million. A further £700 million was announced of un-ringfenced expenditure which will be allocated to meet need aligned to deprivation. This has been the focus of some lobbying work with MPs and central Government as East Sussex is not a typical southeast council in this respect. One concern is that if the methodology of the allocation of grants changes this could be to the detriment of the Council. There is also an impact from the increase in the National Living Wage and the National Insurance increases on the care sector to consider, both in terms of the level and threshold at which employers start to pay National Insurance.

22.5 The level of inflation modelled within the MTFP is based on the Office for Budget Responsibility (OBR) predicted rates. The current MTFP uses March 2024 rates, and the October Budget contained higher than predicted rates of inflation, as the expected fall in inflation has slowed down. This will need to be factored into the MTFP.

22.6 Overall, there appears to be a greater number of negative changes than positive ones in the Budget announcement and therefore the Council will need to reflect this in its planning assumptions. This means there will be a continued need to identify savings to meet the forecast budget deficit. A Local Government Finance Policy statement is expected from the Ministry of Housing, Communities and Local Government (MHCLG) which will hopefully provide more information.

22.7 A review of the capital programme has been undertaken on the basis of minimising the impact of borrowing on the revenue budget. As a consequence, the capital programme has been reduced in future years to the level of grant funding, capital receipts, and Section 106 funding. If capital works schemes are already committed to, the level of borrowing will be continued to permit them to be completed, but in future borrowing will seek to be minimised. The review has resulted in a £4 million saving which has been factored into the MTFP. The Council's unallocated reserves were £10.2 million as of 1st April 2024, against a forecast deficit of around £13 million.

22.8 The Committee discussed the report and update on the Council's financial position. A summary of the discussion and comments made is given below.

Capital programme

22.9 In regard to the review of the capital programme the Committee asked what the reduction in infrastructure and highways maintenance investment above the level of grant funding would mean. The Chief Finance Officer clarified that the level of capital investment will reduce to the level of grant funding the Council receives and will not be topped up with borrowing. In terms of roads maintenance, additional investment above the grant funded level will not occur.

Climate change

22.10 The Committee asked what the impact was of the reduced investment in climate change work and whether all investment in climate change work will cease. The Director of Communities, Economy and Transport (CET) outlined that the reduction would mean that the direct activity on climate change funded by the capital programme would cease. Work involving indirect activity on climate change will continue and applications for external grant funding for climate change work will continue to be made.

Budget deficit

22.11 The Committee sought clarification on the reason why the forecast budget deficit is shown as declining over the three year term of the MTFP and whether the Council is expecting better funding as a result of the Budget announcement. The Chief Finance Officer responded that the Council does not know if its funding will increase as the Government has only announced high level budget allocations. There appears to be more capital investment in schools and highways, but detailed budget allocations are not known at present. In terms of the forecast budget deficit, most of the pressures are in the current financial year and in 2025/26. The budget forecasts include an assessment of inflation and growth in demand for services in future years, which aggregated together to give the total deficit over the term of the MTFP. Also, reserves are being used in the current financial year to mitigate the forecast overspend.

22.12 The Committee also asked whether the forecast reduction in the budget deficit in the MTFP was optimistic. The Chief Finance Officer responded that the forecasts were based on OBR modelling and the modelling of future need for Children's Services and Adult Social Care which is showing a reduction. Inflation and pay awards are expected to show a reduction and overall costs are expected to come down. Consequently, the forecasts are realistic based on the information available and assumptions made at the time.

Bus Service Improvement Plan (BSIP) funding

22.13 The Committee asked if the £4.55 million BSIP funding allocation announced earlier in November is included in the budget figures or whether this was additional funding to that already received. The Chief Finance Officer agreed to contact Councillor Hollidge after the meeting to confirm if this was new funding or included in the existing budget. *(Post meeting note: The Chief Finance Officer has confirmed that the £4.55 million announced is new BSIP funding, and this will be included in the budget figures).*

22.14 The Committee RESOLVED to:

(1) note the information in the attached RPPR Cabinet report of 13 November 2024 (appendix 1), including the updated Medium Term Financial Plan (MTFP), savings proposals and capital programme update; and

(2) identify any further work or information needed to aid the Scrutiny Committee's contribution to the RPPR process for consideration at the RPPR Board, or as part of the committee's ongoing work programme.

23. FEES AND CHARGES REPORT (RPPR)

23.1 The Chief Finance Officer introduced the report which provides information on the fees and charges made by the services within the remit of the Committee, which total £32 million for 2024/25 out of the overall total for the Council of £78.1 million. All departments are required to regularly review the level of fees and charges and comparisons are made with other local authorities to ensure fees and charges are set at an appropriate level. The levels of some charges are subject to regulatory requirements, with fee levels set by legislation. Fees and charges are varied and complex in nature. A list of fees and charges for those services within the remit of the Committee is provided in appendix 1 of the report.

23.2 The Committee discussed the report, and a summary of the questions and comments raised is given below.

23.3 The Committee asked if charges are set to recover costs wherever possible. The Chief Finance Officer responded that charges are set to recover cost where possible, but cost can be quite substantial and therefore it is not always possible to recover the full cost. Charges are set on a service by service basis and take into account the impact on individuals and their ability to pay.

23.4 The Committee asked if school exclusion review charges are paid by schools or cross charged to the Children's Services department. The Deputy Chief Executive outlined that the Democratic Services Team provides support to Academies for school exclusion reviews which is charged to the Academy. The Communications Team also does work for Rother District Council and schools which is charged to them.

23.5 The Committee asked whether the income from fees charged for highways licences comes to the Council or is retained by the Highways contractor. The Director of CET clarified that the income from highways licences and permits is retained by the contractor as it is their staff who carry out the work. The reason for the highway licence process for things such as bus shelters is so that the Council can ensure that any structure placed next to the highway is safe and passively safe for road users and does not cause future problems.

23.6 The Committee RESOLVED to note the financial information on fees and charges income, the mechanism for reviewing fees and charges and the ongoing work to maximise fees and charges income.

24. SCRUTINY REVIEW OF LOCAL SPEED LIMIT POLICY

24.1 Councillor Hollidge, Chair of the Review Board, introduced the report. He thanked the Review Board members, officers and Sussex Police for their work on the review. The Committee decided to undertake the review after it was invited to look at the topic of local speed limit policy following a Notice of Motion in June 2023 and as a result of the number of road safety requests received by councillors. The review analysed the purpose of the local speed limit policy; whether it aligned with the Department for Transport guidance; the approach taken by other local authorities; did it correspond with national and local evidence and; how the Council communicates the policy to the public. The Board found that by and large ESCC's polices were robust and in line with the DfT guidance. Recommendation 1 of the report recommends that the policy is reviewed if the guidance changes.

24.2 It was agreed that the review would be a two part review as it was not possible to complete examining everything the Review Board members wanted to look at within the timescales for completing the review. Councillor Hollidge commented that it will be important to consider the influence of the Local Transport Plan 4 (LTP4) which was being developed whilst the review was taking place and other developments such as the launch of the Living Streets Pedestrian Pound report, Active Travel and the impact of lower speed limits on health. Councillor Hollidge endorsed the report and recommended the report of the Review Board to the Committee for agreement and to present the report to Cabinet and Full Council for consideration.

24.3 The Committee discussed and commented on the report of the Review Board and a summary of the discussion is given below.

24.4 Councillor Taylor spoke on behalf of Councillor Hilton who was unable to be present at the meeting. She outlined that Councillor Hilton did not wish for her name to be on the report unless it can be made really clear that there is more work that remains to be done on the policy, especially 20mph speed limits. Unfortunately, she was not able to be present at all the review meetings and felt that her request for more detailed evidence on 20mph limits was not taken into account.

24.5 Councillor Murphy spoke on behalf Councillor Wright who had left the meeting. Councillor Wright was not entirely happy with the report and considered that the review should have received more direct evidence from other local authorities, including Oxfordshire, on the approach to local speed limits and 20mph limits.

24.6 Councillor Murphy commented that given the time constraints it was a good piece of cross-party work which looked at a range of evidence. He was quite pleased with the report and the way in which the Board had worked together and was happy to endorse the report.

24.7 Councillor Stephen Shing thanked the Review Board and officers for the report and commented that he thought the report was good. However, he considered that the report and its recommendations would not help the public get any more reduced speed limits or traffic management, and therefore did not support the report.

24.8 Councillor Redstone commented that much of the issue around local speed limits is about communication and public expectations, with people wanting lower speed limits where they live. He was particularly keen about having better tools on the website such as a 'wizard' to help residents and Parish Councils understand how speed limit policy is set and its benefits.

24.9 Councillor Kirby-Green commented that she was not overly happy with the report and noted the concerns raised by Councillor Taylor (on behalf of Councillor Hilton) and Councillor Wright. There is a lot more work that needs to be done on this topic, and this report is a good starting point. She thanked Councillor Hollidge for his chairing of the review, during which there was a robust discussion, and some strong views expressed.

24.10 The Director of CET thanked the Board for their engagement with the work on this topic. Setting speed limits and views on road safety are quite challenging and often draw a selection of views. He noted that this is the first part of the review and there will be a further opportunity for the Committee to undertake work on this topic.

24.11 Councillor Beaver commented that he understood there were disagreements from a number of Board members regarding the report, but the Review Board membership was a statement of fact and he did not support removing Board member's names from the report. However, he would be happy to discuss adding a note to reflect there were some disagreements about the report from Councillor Hilton and Councillor Wright. Councillor Taylor requested that any such note makes it clear that there will be more work done on this topic and particularly what this will include, so it is clear that the work has not finished. Councillor Beaver responded that the note could make it clear that this is part 1 of the work on this topic, and any future work will be subject to the agreement of the Committee at that time.

24.12 The Chair asked the Committee to indicate by a show of hands if they were happy to agree the recommendation set out in the report, namely to agree report of the Review Board, and make recommendations to Cabinet for comment, and County Council for approval.

24.13 The Committee RESOLVED by a majority (5 For, 1 Against, and 1 Abstention) to agree the report of the Review Board, and make recommendations to Cabinet for comment, and County Council for approval.

25. WORK PROGRAMME

25.1 The Chair introduced the report and invited Councillor Redstone as Chair of the Climate Emergency Action Plan (CEAP) working group to add any further comments on the update contained in the report. He commented that had no further comments on this particular piece of work undertaken by the CEAP working group, but there might be a need to clarify one of the future suggested scrutiny review topics on the work programme on climate change. It would be good to clarify whether this would look at reducing the Council's carbon emissions footprint or climate change adaptation. It may be beneficial to split these topics up, but they could be considered at the same time.

25.2 The Senior Scrutiny Adviser reported that the Chief Operating Officer had invited the Committee to establish a working group to provide scrutiny input into an update of the Council's Asset Management Strategy, and if agreed, to nominate members for the working group. The Committee agreed to establish a working group with Councillors Redstone, Murphy, Hollidge, Taylor (on behalf of Councillor Hilton) and Lunn indicating they would like to take part. Action: The Senior Scrutiny Adviser to check with other Committee members not present at the meeting to see if they wish to take part in the working group and establish a meeting date in early March 2025.

25.3 Following a question from Cllr Murphy about the collapse of the construction firm ISG, it was clarified that the Council did not have any contracts with them and was not affected by any companies that were in ISG's supply chain.

25.4 The Committee RESOLVED to:

- 1) agree the agenda items for the future Committee meetings, including items listed in the work programme in appendix 1;
- 2) note upcoming items on East Sussex County Council's (ESCC) Forward Plan in appendix 2; and

3) establish a working group to provide scrutiny input into an update of Council's Asset Management Strategy as per minute 25.2 above.

26. ANY OTHER ITEMS PREVIOUSLY NOTIFIED UNDER AGENDA ITEM 4

Call-In of Decision Made by the Lead Member for Transport and Environment regarding Eastbourne Town Centre Management and Access Package - Phase 2a Revised Scope.

26.1 The Deputy Chief Executive introduced the report. A decision was made by the Lead Member for Transport and Environment on the 18 November 2024 regarding the Eastbourne Town Centre Management and Access Package - Phase 2a Revised Scope. A notification of a call-in request was received from Councillor Tutt, supported by Councillor Murphy and Councillor Stephen Shing within the timeframe for calling-in a decision. When a call-in request is made that complies with the requirements set out in the Council's Constitution, the request is required to be considered by the relevant scrutiny committee within 10 working days of the request being made. This was why the Committee has been asked to consider this matter as an urgent item.

26.2 The report contains a copy of the report to the Lead Member in relation to the Eastbourne Town Centre Management and Access Package and the draft minute of the decision that was taken. The report also contains a copy of the call-in request which sets out the basis and grounds for calling-in the decision, and a copy of the response from officers in relation to the call-in request for consideration by the Committee. The Committee is asked to consider the call-in in the light of the information presented in the report.

26.3 Councillor Swansborough spoke on behalf of Councillor Tutt. He outlined that since the Access Package Phase 2a was originally devised, the costs of the scheme had gone up dramatically by around £1 million for a scheme that was originally costed at around £5 million. Under the de-scoping exercise, the scheme was subject to a comprehensive design review which led to changes being made to surfacing materials, road layout, and the proposed public space outside the Marks & Spencer store. The Local Member, officers and the bid team have all be notified of what the changes are, but the public have not been consulted or informed about these changes and there is a need for the public to be informed about the revised scheme due to the comprehension design review. The call-in asks for information on the changes to the scheme to be provided to the public via display boards.

26.4 The Assistant Director Economy commented that on the basis of the call-in, the department is happy to provide display material within Eastbourne Town Centre to alert the public to the changes that are being made to the scheme as agreed with Councillor Tutt in the previous week. In addition, meetings have been held with bid team and local businesses on the situation and this is in addition to the consultation that will be undertaken through the statutory Traffic Regulation Order (TRO) process in the New Year. The de-scoping of the scheme was necessary as it was not possible to do everything we wanted to do, within the budget available for the scheme. The design of the scheme has not changed since the one that was consulted on previously, and if more funding becomes available at a later date, it will be possible to deliver more of the original scheme in later phases of the works.

26.5 The Committee discussed the report, and a summary of the discussion is given below.

26.6 Councillor Murphy commented that as having a decision called-in is a rare occurrence, the Committee should listen to the concerns being raised by the Local Member and members of the Committee that have requested the call-in, and refer the decision back to Lead Member for Transport and Environment.

26.7 Councillor Kirby-Green commented that Councillor Tutt has met with the Assistant Director Economy who has agreed to meet the requests in the call-in to provide information to the public on the changes to the scheme. Referring the matter back to the Lead Member may delay the implementation of the scheme, and as officers have agreed to provide the display boards requested, she would support taking no further action.

26.8 Councillor Beaver commented that in his view the changes to the scheme mean that the provision of public space outside the Marks & Spencer store will be delayed due to cost but not eliminated entirely.

26.9 Councillor Stephen Shing asked for clarification about the removal of the current one way traffic movement from Bolton Road through a short section of Terminus Road and into Langney Road, by introducing a two-way traffic configuration at the lower ends of both Bolton Road and Langney Road; and converting four short term parking bays on Tideswell Road and three doctor permit bays on Lismore Road to provide additional blue badge parking provision, offsetting the majority of the nine blue badge parking bays lost from Terminus Road and Langney Road.

26.10 The Director of CET responded that the scheme was consulted on some time ago and the fundamentals of the scheme have not changed. The Council still wants to proceed with the scheme agreed by the Lead Member but there is not enough funding due to the cost increases. The scope of the scheme has been revised in line with the budget available in order to proceed with scheme. The department has been consulting on the changes and there will be a further opportunity of the public to express their views as part of the TRO consultation process. The Assistant Director Economy added that part of the scheme may revert to the situation many years ago. It has been subject to consultation, including the changes to the parking bays in Tideswell Road, which were part of the original scheme.

26.11 The Lead Member for Transport and Environment commented that officers have agreed to provide the display boards as requested by Councillor Tutt. The Local Member and Councillors' views have been listened to and the decision does not need to be referred back to the Lead Member.

26.12 Councillor Hollidge commented that the officers should be allowed to get on with delivering the scheme and moved that the Committee agree recommendation 1) to take no further action. This was seconded by Councillor Redstone.

26.13 The Chair put the motion to a vote and the Committee RESOLVED by a majority (6 For, 1 Against and 1 Abstention) to agree to take no further action.

The meeting ended at 2.03 pm.

Councillor Matthew Beaver (Chair)