

KENT UTILITIES ENGAGEMENT SUB-COMMITTEE

Monday, 27th February, 2017

10.00 am

**Medway Room, Sessions House, County Hall,
Maidstone**





AGENDA

KENT UTILITIES ENGAGEMENT SUB-COMMITTEE

Monday, 27th February, 2017, at 10.00 am Ask for: **Joel Cook/Anna
Taylor**

**Medway Room, Sessions House, County
Hall, Maidstone** Telephone: **03000 416892/416478**

Membership

Conservative (5): Mr R J Parry (Chairman), Mr R L H Long, TD (Vice-Chairman),
Mr J A Davies, Mr G Lymer and Mr C Simkins

UKIP (1) Mr F McKenna

Labour (1) Mr T A Maddison

Liberal Democrat (1): Mr I S Chittenden

Independent (1): Mr M Whybrow

Tea/coffee will be available 15 minutes before the start of the meeting

County Councillors who are not Members of the Committee but who wish to ask questions at the meeting are asked to notify the Chairman of their questions in advance.

Webcasting Notice

Please note: this meeting may be filmed for the live or subsequent broadcast via the Council's internet site or by any member of the public or press present. The Chairman will confirm if all or part of the meeting is to be filmed by the Council

By entering into this room you are consenting to being filmed. If you do not wish to have your image captured please let the Clerk know immediately.

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

- 1 Welcome & Introduction
- 2 Apologies & substitutes
- 3 Declarations of Interests by Members in items on the Agenda for this meeting
- 4 Minutes of the meeting held on 27 January 2017 (Pages 5 - 12)
- 5 South East Water Presentation (Pages 13 - 24)
- 6 Technical & Development Service Presentation (Pages 25 - 28)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

John Lynch
Head of Democratic Services
03000 410466

Friday, 17 February 2017

Timing of items as shown above is approximate and subject to change.

KENT COUNTY COUNCIL**KENT UTILITIES ENGAGEMENT SUB-COMMITTEE**

MINUTES of a meeting of the Kent Utilities Engagement Sub-Committee held in the Medway Room, Sessions House, County Hall, Maidstone on Friday, 27 January 2017.

PRESENT: Mr R J Parry (Chairman), Mr G Lymer, Mr M E Whybrow, Mr R H Bird and Mr A Terry

ALSO PRESENT: Mr M A C Balfour, Ms S Irgin and Mr P Kent

IN ATTENDANCE: Mrs K Stewart (Director of Environment Planning and Enforcement), Mr A Turner (Principal Regeneration & Projects Officer) and Mr J Cook (Scrutiny Research Officer)

UNRESTRICTED ITEMS**7. Minutes of the meeting held on 27 July 2016**
(Item 4)

RESOLVED that the minutes of the meeting held on 27 July 2016 were an accurate record and that they be signed by the Chairman.

8. Presentation from Ofwat - water sector regulator
(Item 5)

1. Sally Irgin attended to provide an update on the work of Ofwat. Ms Irgin is a Director of Ofwat's Casework Programme which is the organisation's front line service for customer complaints about water companies. It is also the part of the organisation responsible for determining disputes and taking formal enforcement action where Ofwat has powers to do so. Over the last three years Sally has led Ofwat's work on developer-related disputes and a specific project working with water companies to improve their delivery of services to their developer customers.
2. Ms Irgin outlined the background of Ofwat to the Committee, explaining that it served as the independent economic regulator of the water and sewerage sectors in England and Wales. They had defined duties and responsibilities set out in legislation requiring them to protect customers, enable efficient, well-run companies to finance their functions and to ensure long-term resilience. These functions were exercised within the framework of published Government policy. Their vision for the water sector was one where customers and society had trust and confidence in the vital public water and wastewater services.
3. Outlining the scope of their work, Ms Irgin stated that Ofwat regulated ten regional monopoly companies, eight local water only monopoly companies, five new appointees and a growing number of retail licensees. Ms Irgin explained that they worked on an outcome focuses approach which was supported by a toolkit designed to address the various challenges within the sector. The focus was

always on finding a co-operative solution through liaison and engagement between customers and providers prior to the consideration of formal intervention.

4. In relation to water company engagement with developers, Ms Irgin explained that historically there had been limited and varied recognition by water companies of developers as customers and this hampered effective joint planning and co-operation. This was exacerbated by inconsistent levels of service and sometimes complicated where the competitive market has not been as effective as it could be. The complex charging regime has presented difficulties for the development sector and caused concerns in relation to housing growth. There was limited precedent in law for handling disputes which sometimes slowed the process and caused greater frustration for customers and water companies. However, Ms Irgin reassured the Committee that good progress had been made by all parties in responding better to issues and resolving disputes more quickly.
5. Ms Irgin highlighted the significant benefit brought about by the introduction of the voluntary standards for measured performance. She explained that 24 levels of service measures had been agreed by WaterUK in consultation with customers and water companies. This provided transparent comparison of performance for the first time and the resulting company league tables have produced a strong reputational incentive. This work had helped support the provision of more resources around development work as well as encouraging significant improvements in performance. Ofwat was also able to make more effective interventions earlier on by targeting particular areas of poor performance, getting assurance on numerous improvement plans from various companies.
6. Focusing on performance improvement, Ms Irgin explained that the improvement had been substantial following the introduction of voluntary performance measures, with rises from 42% up beyond 90% in some cases as well as a general shift up in performance across all water companies. She noted though, that the level of improvement had been less stark among sewerage companies.
7. Ms Irgin highlighted that the area of new connections was one of the few parts of the sector currently open to competition but noted that the effectiveness of this was variable across the country. She explained that developers could choose to have new infrastructure provided by local monopoly companies, accredited self-lay organisations or a new appointee, however it was explained that the monopoly water company would always have to provide some non-contestable services. Ms Irgin continued to outline the work undertaken in promoting market competition including the publication of general expectations under competition law in 2014, binding commitments arising from a new connection case linked to Bristol Water in 2015 and continued work on challenging companies on how much information they provide to customers and competitors.
8. In a positive update, Ms Irgin explained that ongoing work with all parties on the new charging regime was hoped to bring greater stability and parity to the sector and improve the capacity for long term strategic planning for new developments. She also highlighted the good progress made across the board by water companies in being more engaged with Ofwat and their customers. Ms Irgin noted that housing growth was a key factor for long term planning and improvement in the sector but reiterated that progress on this had been good and

she reassured the Committee that larger scale development work was now a greater priority and considered more broadly by Ofwat.

9. Responding to questions from Members, Ms Irgin explained that they were still working on level of service metrics for development but that these were expected in the near future. She also explained that Ofwat's role included both advisory work in the sector as well as enforcement, with their approach focused on applying the principles of fair and appropriate practice, promoted through effective communication with and between companies and customers. She reassured the Committee that the continuing improvement in relationships between the key parties had allowed for quicker resolution of issues through informal communication rather than official enforcement activity. She explained that Ofwat should be the last resort for resolving disputes as it was hoped that good understanding of the expected standards and the emphasis on fairness within their principles meant that informal resolution would be more common in future.
10. Responding to a question, Ms Irgin explained that KCC could best assist in supporting development and relevant improvement in the water sector by engaging with both parties, facilitating communication and encouraging advance notice of plans through joint strategic planning. She highlighted examples where developers had shared sensitive information with water companies to ensure long term infrastructure planning was possible but she emphasised that this only happened where there was trust between the parties.
11. Responding to a Member question, Ms Irgin explained that resilience was a new statutory duty for Ofwat and that they were working assessing the issues. She advised that there were still complaints regarding planning for sewage due to the problems caused by over-connection and that disputes still arose when the relevant infrastructure was not organised in advance. Similar to the Ofwat's advice regarding water companies, Ms Irgin confirmed that better relationships were needed between sewage management and developers on forward planning. She explained that where insufficient provision or provision that lacked appropriate resilience was reported, Ofwat could examine it as an enforcement issue.
12. Mr Balfour, as Cabinet Member for Environment and Transport, commented that there remained a risk that lack of resilience could lead to further health risks and significant damage to property but he believed the focus should be on improving management of these issues rather than examining the infrastructure elements. Clarifying the response capacity, Paul Kent of Southern Water, explained that assessments of all assets were undertaken on a criticality and risk basis and this analytical approach was used to consider and justify investment. He explained that in some cases of severe weather in recent years, back-ups or redundancies were in place but failed to work due to maintenance or technical issues and he confirmed that this was being addressed. To reassure the Committee, Mr Kent explained that the switch to back-up systems should be automatic and would therefore not require a maintenance crew to implement and that in addition to the core systems, around five or six mobile generator units were stationed at the Aylesford depot, ready for deployment in relevant situations. This response was also supported by the provision of tankers supplying fuel where the mobile generators could not provide the necessary resilience. He agreed with the Committee that the very severe weather in the winter of 2013/14 stretched their

response beyond capacity and advised them that this had been taken into account in future planning.

13. Ms Irgin advised the Committee that Ofwat was not prescriptive on operational matters but that they expected companies to meet their duties. She reiterated that KCC's support would be most beneficial if it was focuses on encouraging and facilitating early discussions between developers and water companies. Ms Irgin again commented that it was hoped that the new charging scheme would support better engagement and greater fairness as it would be more transparent and accessible as part of long term strategic planning which worked well for both developers and water companies.
14. Responding to questions from Director Katie Stewart, Ms Irgin explained that water companies had been working on a system of measuring effective communication through satisfaction and price control metrics and that Ofwat were keen to engage with this activity. Ms Irgin explained that the new charging model should improve communication and transparency; the old charging system was based on primary legislation and was very complicated while the new approach was to be based on principles of fairness, with an expectation that companies would work with customers, including developers, to set up a fair charging scheme. Linked with this was the issue that charging rates were not varied based on the scale of relevant projects, with costs not necessarily changing between small building work and large scale developments. Again Ms Irgin advised that this issue should be addressed in the new model.

RESOLVED that the Committee thank Ms Irgin for a very informative presentation and for her clear answers to questions from Members and KCC staff.

9. Presentation from Southern Water *(Item 6)*

1. Paul Kent attended to an update from Southern Water. Mr Kent is the Environment and Wastewater Strategy Manager, accountable for identification of expenditure requirements of above and below ground wastewater assets, to maintain and improve performance. He is also responsible for agreeing environmental improvements required to meet legislative drivers. Developing an integrated catchment approach to delivering environmental improvements. Also responsible for identifying future investment requirements arising from development and growth in the southeast.
1. Mr Kent provided an overview of the activities of Southern Water, notable that Southern Water take nearly 70% of its water from underground sources, called aquifers, 23% from rivers and 7% from storage reservoirs. Each day, it treats and recycles 718 million litres of wastewater at 365 treatment works after it is pumped through a network of 2,375 pumping stations and 39,600km of sewers. Mr Kent also commented that Southern Water operated in a crowded market place and that it was unusual for so many companies to be active in the area covered by the south east.
2. Mr Kent explained that Southern Water had a statutory duty to provide service; regardless of the level of capacity and that this had led to issues where excess demand has had negative consequences for the water and sewage network. He

noted specific examples such as Headcorn developments where local factors had to be taken into account when planning and arranging large scale developments with water and sewage connection requirements.

3. Mr Kent clarified that Southern Water did not have a formal role with the planning process but he advised that effective planning of work and developments in terms of water needs was critical to allowing smooth and timely implementation when required. He noted that where capacity was already at maximum, new developments would necessitate new investment and that this could only be facilitated when reliable information was available through effective forward planning with developers and planning authorities, emphasising that planning certainty was vital for Southern Water to justify additional investment, lest money and time be wasted on works that go unused. He explained that information sharing and joint working with partners, local authorities and developers had improved but there remained room for improvement. He highlighted the Ebbsfleet Garden City project as an example where initial capacity and connection requests were received but not implemented at the time due to the investment required, which had been proved a correct decision given that the works were still not needed several years later.
4. To support better communication and effective planning, water companies had been trying to make connections to the system conditional on various factors within developments and planning applications. Mr Kent advised that raising the eventual utility needs and related work time and cost investment at an early stage had been beneficial in ensuring developers were able to plan their projects more effectively. Linked with this, Mr Kent explained that progress had been made on ensuring better communication over connection work and prices too place with developers at an earlier stage and this the planned progression to a flat rate system for connections was expected to make the process even better and more transparent in the future. He hoped that this would allow better long term work planning to avoid historic issues where it had been difficult for water companies to meet developer timetables due to short notice.
5. Mr Kent provided a summary of development work in Kent, with reference to Otterpool, Whitfield and Ebbsfleet. In the case of Otterpool, Mr Kent explained that a large strategic solution had been required as the treatment works in Shepway would not be able to support the development, so work was planned for Hythe. Regarding the Whitfield development, Mr Kent explained that Southern Water were currently updating the Drainage Area Plan, which then allow an appropriate solution to provide effective drainage and support a whole development approach rather than piecemeal reactive problem solving. Mr Kent noted that the scale of the Ebbsfleet Garden City project required a significant strategic solution to providing a sewerage system and wastewater treatment works and that this was being worked on in partnership with the Ebbsfleet Development Corporation.
6. In terms of securing water resources, Mr Kent advised the committee that effluent re-use would be permitted from 2022 and that this was expected to help support better use of resources and avoid unnecessary waste. Other improvements planned around securing resources were considered in terms of investment cost and their environmental impact.

7. Mr Kent outlined the consideration of Drainage Strategy in that it involved looking at longer term risks and relevant action plans. This work included consideration of partner activities to support strategic links with key partners on long term planning.
8. Members thanked Mr Kent for the detailed presentation and for providing a good overview of Southern Water activities. A Member raised a local issue for progression outside of the meeting.
9. Responding to questions from Members, Mr Kent explained that there was no national agreement between companies on sharing or managing water supplies given the significant infrastructure required to transport it around the country but he advised that positive co-operation on a regional basis did take place and was beneficial. Ms Irgin commented that historically there had been less water trading between companies than might have been expected but that this was expected to change in future. She confirmed that links between companies in the south east looked promising.
10. In answer to a Member question about local plans, Mr Kent explained that there were future plans being considered that would make water companies statutory consultees but clarified that at present the focus was on water companies being more responsive to customer need. He advised that Southern Water were working Arun Council on development areas to build draft solutions at the early planning stage. This work being highlighted as good evidence of the benefit of developers sharing proper forward plans early on.
11. Members discussed the benefits of metered water systems, noting the positive development that 92% of Southern Water's customers were metered. Mr Kent explained that the majority of those not yet converted to metering lived in properties where there were significant physical barriers to individual meter installation.
12. Responding to a Member question on water pollution the level of investment required to address this issue, Mr Kent explained that the Water Resources Management Plan was in place and it considered all possible options for minimising pollution issues. The plan refined the list of viable options down on realistic implementation prospects based on their cost and environmental impact framework.
13. In answer to a Member question about other best practice in engagement with utility companies, Mr Kent advised the Committee that Kent was leading the way at present and should be regarded as the source of best practice. He noted that the Kent Utilities Engagement Sub-Committee was a positive new development that could be beneficial in other areas. Mr Kent also highlighted the positive work of KCC Officers and the Cabinet Member for Environment and Transport in maintaining good ongoing engagement with the relevant partners and that this supported the drive towards better communication and improved understanding.
14. Responding to a question from a guest attendee from another local authority, Ms Irgin and Mr Kent explained that water companies are expected to work with planning authorities through early discussions and effective information sharing. It was noted that the legislation is not prescriptive regarding how this engagement

should take place or which parties should be responsible for all relevant payments. Ms Irgin explained that serious disputes in this area were caused by lack of communication, where conditions or charges had been imposed without prior discussion. It was noted that the lack of detailed process requirements within the legislation led to issues such as the requirement to continue providing additional sewage connections despite ongoing flooding activity. Mr Balfour commented that this issue was common across the utility sector due to the weak legislation but that better engagement was helping to identify solutions agreeable to all parties.

15. Members discussed the issue of long term sustainability in relation to water use. It was noted that Mr Turner was working on this issue for KCC and the committee was reassured by Ms Irgin and Mr Kent that Ofwat and water companies were working toward ensuring a more appropriate and efficient use of water based on the needs of the customer. This linked to consideration water purification practices, including the ongoing problem of micro-plastics which had been highlighted in a report on the impact of cosmetics waste which was due to be released later in 2017.
16. Mr Kent advised the committee that Southern Water was committed to improving communication and partnership work to allow for better service delivery, including development activity. He re-iterated that the KCC's work on engaging with utilities was positive and that it was useful to get more feedback relating to customer expectations and ways to improve communication with developers. Mr Turner raised the idea of arranging single points of contact from water companies, developers and planning authorities. Mr Kent referenced the Ebbsfleet development which had included good engagement activities with dedicated staff focused on making links with relevant partners. Ms Irgin noted that some water companies used account managers to support engagement and liaison activities.
17. Members and guests agreed that the meeting had been very positive and that KCC should continue its work to support improved engagement between utility companies, developers and local authorities.

RESOLVED that the Committee thank Mr Kent for his useful presentation on Southern Water's activities in Kent and for answering questions.

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By: John Lynch (Head of Democratic Services)
To: Kent Utilities Engagement Sub-Committee 27 February 2017
Subject: South East Water
Classification: Open

Summary: South East Water is a major water company operating in Kent and will be attending the Committee to provide information and respond to questions.

Introduction

1. Three representatives are attending the meeting to provide updates to the Committee on the activities of South East Water (SEW).
 - Chris Hollamby – Area Coordinator: Responsible for the day to day management of all new sites and SEW's main liaison with developers, the HBF and Self Lay Organisations. Mr Hollamby has been with SEW for 9 years and was previously with Mid Kent Water for 16 years prior to its merger with SEW.
 - Rachel Baker – Developer Services Manager: Overall responsibility for Developer Services Strategy, policy, process and forecasting. Ms Baker has been with SEW for 9 years and was with Mid Kent Water for 8 years prior to the merger with SEW.
 - Jo Osborn – Head of Communications: Responsible for corporate communications at SEW. Ms Osborn's team manages consumer campaigns, media relations and engagement programmes. Particular focus is placed on community engagement in ahead of planned works. Ms Osborn has been SEW for 8 years with 14 years' experience in the water industry.

South East Water

2. Hastings Funds Management Limited manages 100% of the equity in South East Water on behalf of:
 - UTA – an Australian infrastructure fund.
 - Desjardins et al – Canadian co-operative financial group.South East Water is the main operating company.
3. Further information relating to South East Water's activities and future plans may be found in their Water Resources Management Strategy (Appendix 1)

Recommendations:

Members are asked to note the presentation and information provided by South East Water.

The Committee may require further information be provided by relevant KCC departments and it may request further information from South East Water.

Joel Cook
Scrutiny Research Officer
Democratic Services
Tel No: 03000 416892
e-mail: joel.cook@kent.gov.uk

Appendices:

South East Water – Water Resources Management Plan 2015 – 40 Summary

Background Information:

South East Water website - <http://www.southeastwater.co.uk/>

SEW website – Developer services: <http://www.southeastwater.co.uk/your-water/new-connections>

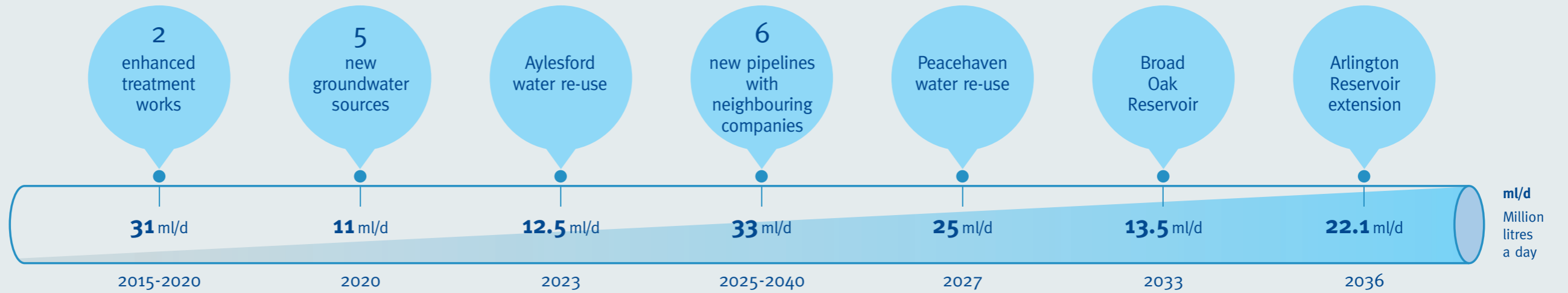
Our 2015-2040 Water Resources Management Plan

A Summary



Every drop counts... **increasing supply**

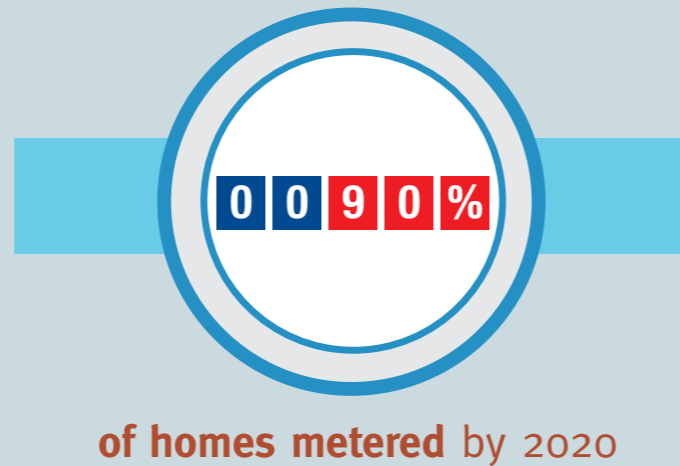
We will invest over **£400 million** in new water resources



How will we meet water demand over the next 25 years?

Every drop counts... **reducing demand**

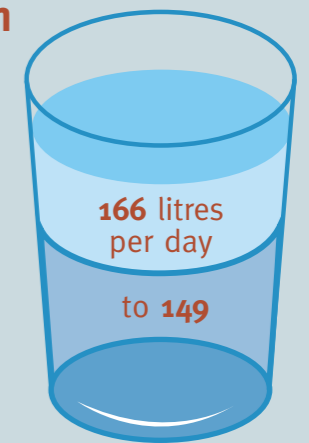
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Water education and awareness



Encouraging each of us to use less from



by 2040

Every drop counts... **the challenges**

Growing population



Changing climate



Rich in biodiversity



Higher than average demand



Introduction

South East Water is proud to supply safe, clean drinking water to around 2.1 million people across parts of Kent, Sussex, Surrey, Hampshire and Berkshire.



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We produce a Water Resources Management Plan (WRMP) every five years to set out what we will need to do, where, and by when, to secure water supplies for today's and tomorrow's customers.

To put this plan together, we talked with our customers and stakeholders in a range of ways, so we are confident that this plan is based on what is important to them. In fact, it's as much your plan as South East Water's.

In June 2014, with approval from the Department for Environment, Food and Rural Affairs (Defra), we published our Water Resources Management Plan for 2015-2040.

This booklet summarises this plan and explains:

- How we prepared our WRMP (page 6)
- The challenges we face in managing water resources in the south east (page 7)
- What we can do to make the resources we have go further such as reducing leaks and further customer metering (page 10)
- New water resources developments including maximising existing sources, increased transfers, water re-use schemes and new storage reservoirs (page 11).

Ultimately we want to develop new water resources in genuine partnership with the communities they benefit, and we would welcome your contribution to this.

How we have prepared this plan

Stage 1 Forecasting 2011 and 2012

Our forecasts of future customer demand, and our ability to meet it with current resources, showed (if we do nothing) there will be a deficit of up to 137 million litres of water per day during a hot, dry summer by 2040.

Stage 2 Early consultation January 2012 onwards

As we developed the plan, we talked to our customers and stakeholders to consider a large range of options to increase supply and reduce demand.

We also invited representatives from local interest groups and our regulators to join an Environmental Focus Group to steer the plan.

Stage 3 Prepare draft plan March 2013

We prepared and submitted this to the Secretary of State of Environment, Food and Rural Affairs.

Stage 4 Statutory public consultation (12 weeks) 13th May – 5th August 2013

We received 66 responses from individuals and organisations. Their 379 comments focussed mainly on our recommended options (48 per cent) and demand forecast (17 per cent). We considered each comment carefully and made changes to our plan as a result.

Stage 5 Statement of response and revised WRMP November 2013

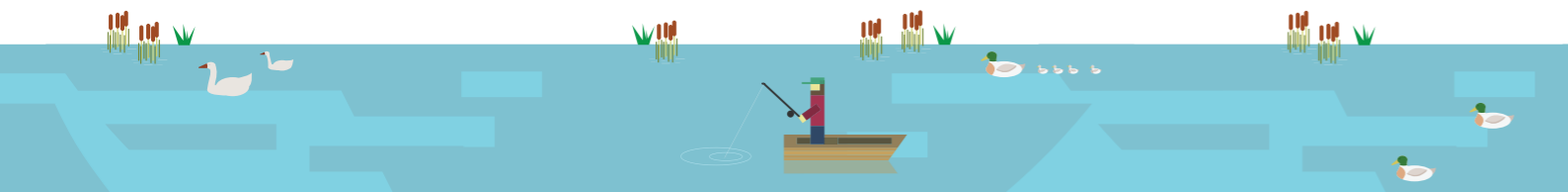
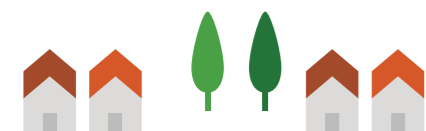
Our statement of response set out how we engaged with customers, local councils, MPs and others across our supply area on our draft plan – and what they told us.

Taking into consideration revisions from Defra and feedback from our public consultation, we produced a revised plan showing the changes we had made.

Stage 6 Final WRMP June 2014

We published our Final Water Resources Management Plan following Government approval.

Our early work on the 2020 plan has already begun.



Supplying water in the south east of England

The challenges

The WRMP helps us prepare for the challenges of supplying water to a region:

- Rich in biodiversity
- With a growing population
- Higher than average demand for water and
- A changing climate.

Need to protect and enhance the environment

As a water company we are intrinsically linked to our natural environment. Our area is particularly rich in biodiversity, for example Sussex has the highest proportion of ancient woodland of any English county.

We work hard to minimise the environmental impacts of our operations, and in partnership with the Environment Focus Group, regulators and local authorities, look for opportunities to manage catchments better and enhance the natural environment.

All water sources have been and will continue to be monitored to ensure they are sustainable and comply with current and future legislation.



Rainfall and climate change

In 2007, the Environment Agency designated the south east of England as being seriously water stressed.

Weather patterns are becoming less predictable. During the last four years alone we have experienced untypically dry and wet weather:

- The 17 months between October 2010 and February 2012 saw exceptionally low rainfall across the majority of our area. By April 2012, groundwater levels were the lowest since records began in 1904
- In contrast between October 2013 and February 2014 the south east experienced its sixth wettest winter since 1910 causing flooding and distress.

Even following a wet winter, the south east of England is only ever 18 months away from the start of a potential drought. This is because we can only store a limited amount of rainfall and much of it flows out to streams, rivers and ultimately the sea. If we had two consecutive dry winters we could be in a position where South East Water would need to consider seriously whether to apply temporary use restrictions (such as hosepipe bans) on our customers the next summer.

Therefore, this plan seeks to improve the mix of supply sources to reduce our reliance on groundwater and improve our resilience to drought and climate change.

Population increase

Population and housing within our area of supply is expected to increase by 19 per cent and 32 per cent respectively by 2040.

We worked closely with all 32 local planning authorities in our company area to ensure growth expectations were reflected in this plan.

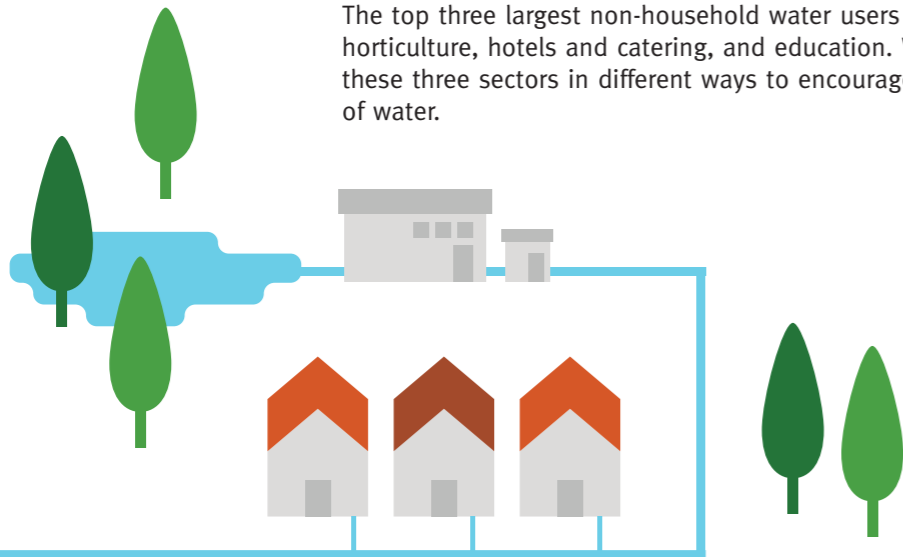
Customers' water use

We are committed to helping our customers become more water efficient.

By supporting customers to permanently change the way they use water, we have been able to delay the need for developing new water resources.

We have made ambitious assumptions about the impacts our demand management work will have over the lifetime of the plan, and are forecasting that customers' use of water will reduce from 166 litres per person per day to an average of 149 litres per person per day by 2040.

The top three largest non-household water users are agriculture and horticulture, hotels and catering, and education. We work with each of these three sectors in different ways to encourage the careful use of water.



Making sure our plans are what customers want

We are committed to executing a plan that, as well as reflecting our priorities, is affordable. We completed 'willingness to pay' research with customers on all the proposed water resources options to ensure we got the balance right.

Our plan to meet future demand

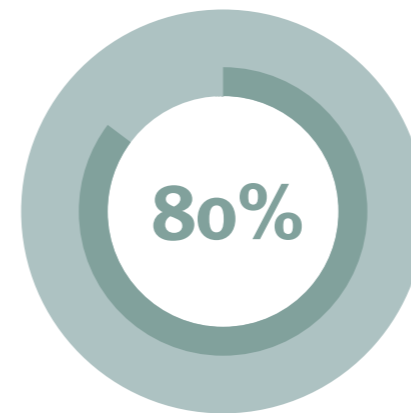
Our final WRMP proposes a range of supply and demand management activities, as well as schemes to develop and share new resources from 2015 to 2040 including:

Making water we have go further:

- Helping our customers to use water wisely
- Reducing leaks
- Increasing the number of customers who have a water meter.

Developing new water supplies

- Five groundwater sources at Forest Row, Coggins Mill and Cowbeech in East Sussex, Maytham Farm in Kent and Aldershot in Hampshire between 2015 and 2020 to deliver 11.3 million litres per day
- Six water transfer schemes to share supplies with our neighbouring water companies from 2020 to 2040 to deliver 33 million litres per day
- Enhancing two existing water treatment works in Berkshire and East Sussex by 2020 increasing supplies by 31 million litres per day
- Three new regional transfers schemes from Kippings to Pembury, Aylesford to Blackhurst and Best Beech to Blackhurst between 2020 and 2025 that will give us more capacity to move existing and new water round our network to meet customer demand across our supply system
- In the longer term, we are investigating the feasibility of two water re-use schemes and two reservoir developments that are due to come into operation between 2023 and 2036.



80 per cent of household customers asked supported the service and costs in the WRMP

This plan includes a good mix of sustainable water sources to reduce our reliance on groundwater and make us more resilient to drought.

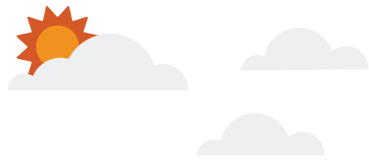
We will be working with you to ensure efficient use of water (through education, leakage reduction and metering) which helps us to manage customer demand.

However, some of the more ambitious projects, such as reservoirs and water re-use plants, need a long lead time to allow for investigations, planning, design and construction before they can become fully operational.

Although our plan is based around our best estimates, as it is looking 25 years ahead we have factored in some of the uncertainties around our planning assumptions so that we can supply a reliable water supply whatever the future may hold.

This plan is based on sound evidence and has been developed following engagement with our regulators, customers, stakeholders and the Government. We are, therefore, confident that this WRMP will meet customer demand, be affordable and ensure our commitment to the natural environment from now until 2040.

Making the water we have go further



Customers have told us they are happy to support our metering programme as well as promoting water efficiency but we need to do more to reduce leakage.

Reducing leaks

This is a top priority for us and our customers. In addition to achieving current savings, we are pursuing a programme to reduce leakage from South East Water's pipe network to 10 per cent by 2040.

We will do this through better monitoring, managing water pressure in our network and responding rapidly to repair our mains when leaks are found.

The Customer Metering Programme which completes in 2020 has helped identify and repair leaks from customer-side pipework. So the programme will also help bring down the amount of water wasted.

Supporting our customers to use water wisely

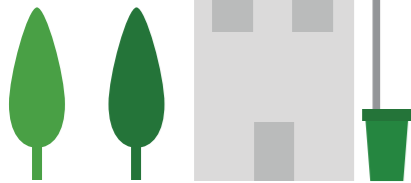
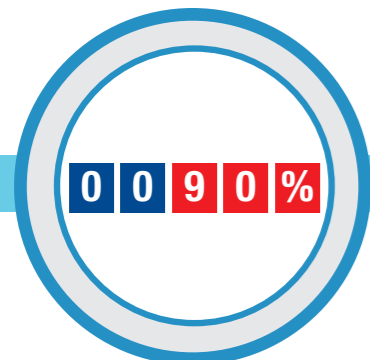
We will continue to help our customers reduce their water use by encouraging them to adopt positive behaviours and to install water saving devices that we offer to them free of charge. We will promote this on our website, through our metering programme, in billing communications, by attending community events and working in partnership with other like-minded organisations in our area.

Customer Metering Programme

Our Customer Metering Programme helps make consumers more mindful of the water they use. In turn it helps us understand water use behaviour and how we can support our customers to make every drop count.

We know these customers not only consider metering to be the fairest way to pay, but have taken action to use water more efficiently, resulting on average in a 15 per cent drop in water consumption per property.

By 2020 90 per cent of households will have a meter



Developing new water supplies

Investment

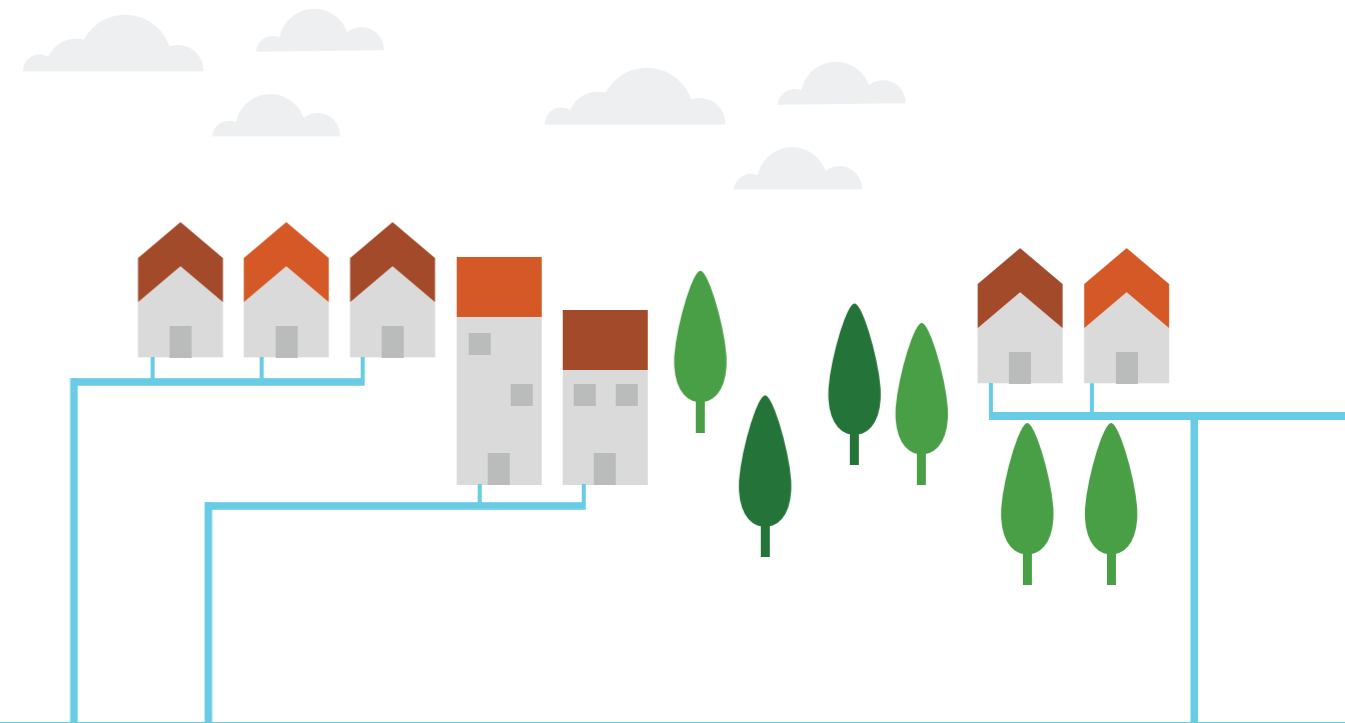
We review our company business plan every five years and between 2015 and 2020 we intend to invest £475 million to maintain and upgrade our network of pipes and water treatment works, maintain water quality, install meters and protect the environment.

This will include £142 million for developing the new water resources set out on pages 12 and 13 that are required during the period 2015 to 2020. Our investment will continue beyond 2020. In fact, by 2040 we will have invested more than £100 million in new water resources.

New resources

Our work to reduce leakage and encourage water efficiency has continually delayed the need for large infrastructure projects. However, with an increase in population and housing expected by 2040, we need to do more to meet the gap between available resource and demand.

A combination of measures to both manage demand and develop new water supplies is required to ensure a reliable supply of water in the future.



The schemes

Although the schemes we are planning to implement over the next five years (see tables below) ensure we will have sufficient supplies until 2023, after this point a series of larger schemes are required to ensure a reliable water supply:

1. Aylesford water re-use, Kent

By 2023 a new water re-use process in Aylesford, Kent will increase water supply in the area by 12.5 million litres per day.

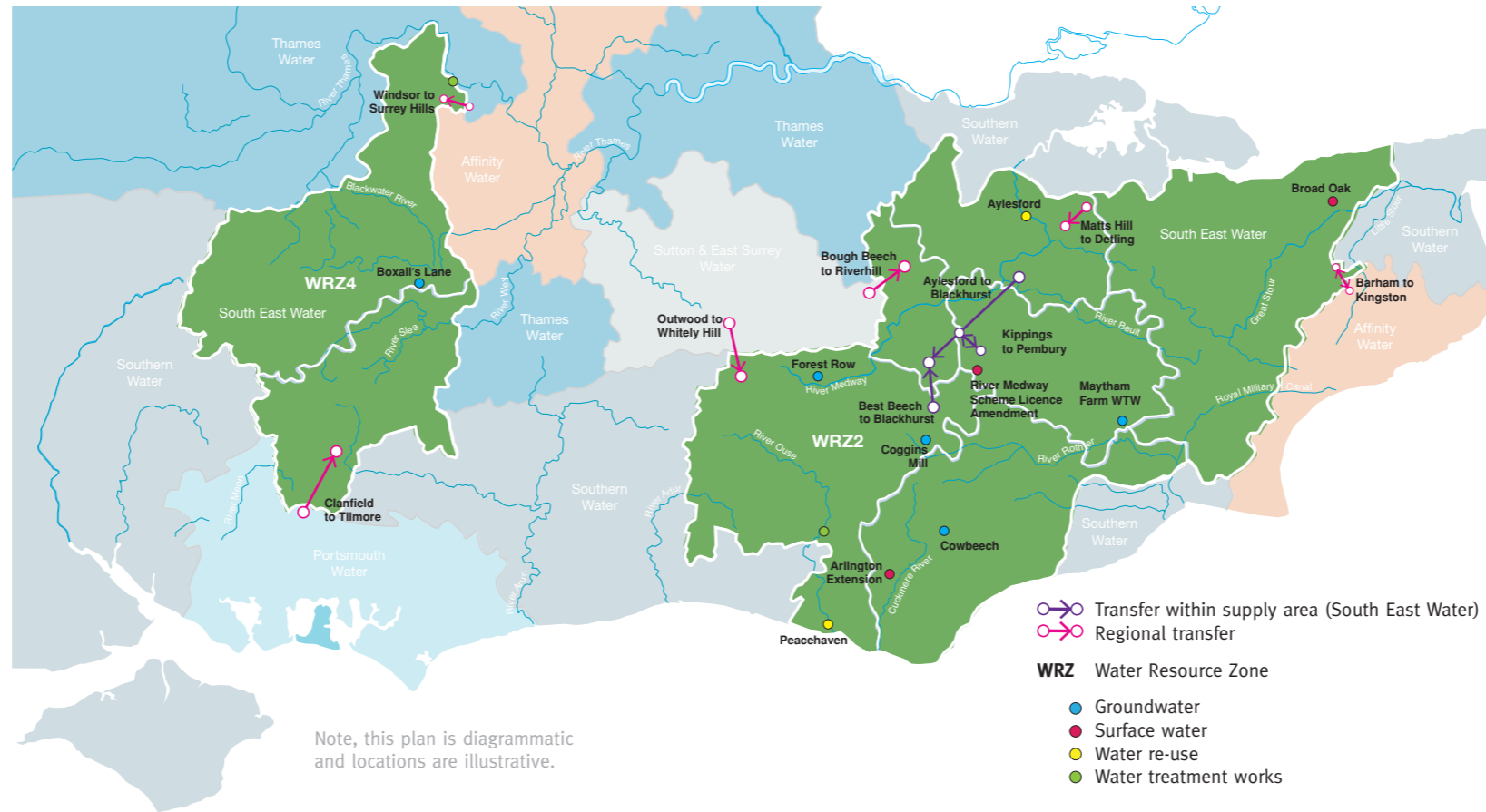
We will continue to work closely with Southern Water to develop this scheme.

2. Broad Oak Reservoir, Kent

Building this new storage reservoir near Canterbury, Kent would supply an extra 13.5 million litres per day by 2033.

We have reduced the size of the proposed reservoir from our 2010 plans to avoid having to flood a SSSI and ancient woodland.

With an intake from the River Great Stour, this scheme will also create new wetland habitat.



3. Peacehaven water re-use, Sussex

Developing a new treatment plant adjacent to Southern Water's Newhaven wastewater treatment works will help us produce up to 25 million litres per day by 2027.

Treated wastewater will be released from this new advanced treatment plant into the River Ouse for abstraction upstream at our Barcombe water treatment works.

We will continue to work closely with Southern Water to develop this scheme.

4. Arlington Reservoir extension, Sussex

We intend to build an additional reservoir at Arlington, East Sussex, north of the existing site to increase supply by an additional 22.1 million litres per day by 2036.

Building on the experience and local knowledge gained from managing our existing reservoir, which has been a designated SSSI, this option provides new habitats and recreational opportunities.

Type of scheme	Scheme name	Peak yield ML/d*	Start date
Leakage	Various	4.9	2015
	Total	4.9	
Water efficiency	Various	1.0	2015
	Total	1.0	
Groundwater	Boxalls Lane	1.7	2016
	Cowbeech	1.5	2017
	Forest Row	2.4	2018
	Coggins Mill	1.6	2019
	Maytham Farm	4.3	2019
	Total	11.5	

* This is equivalent to million litres (or megalitre per day). This is one of the units we use to describe the amount of water we can supply to our customers. For an idea of scale, an Olympic swimming pool holds around two and a half megalitres of water.

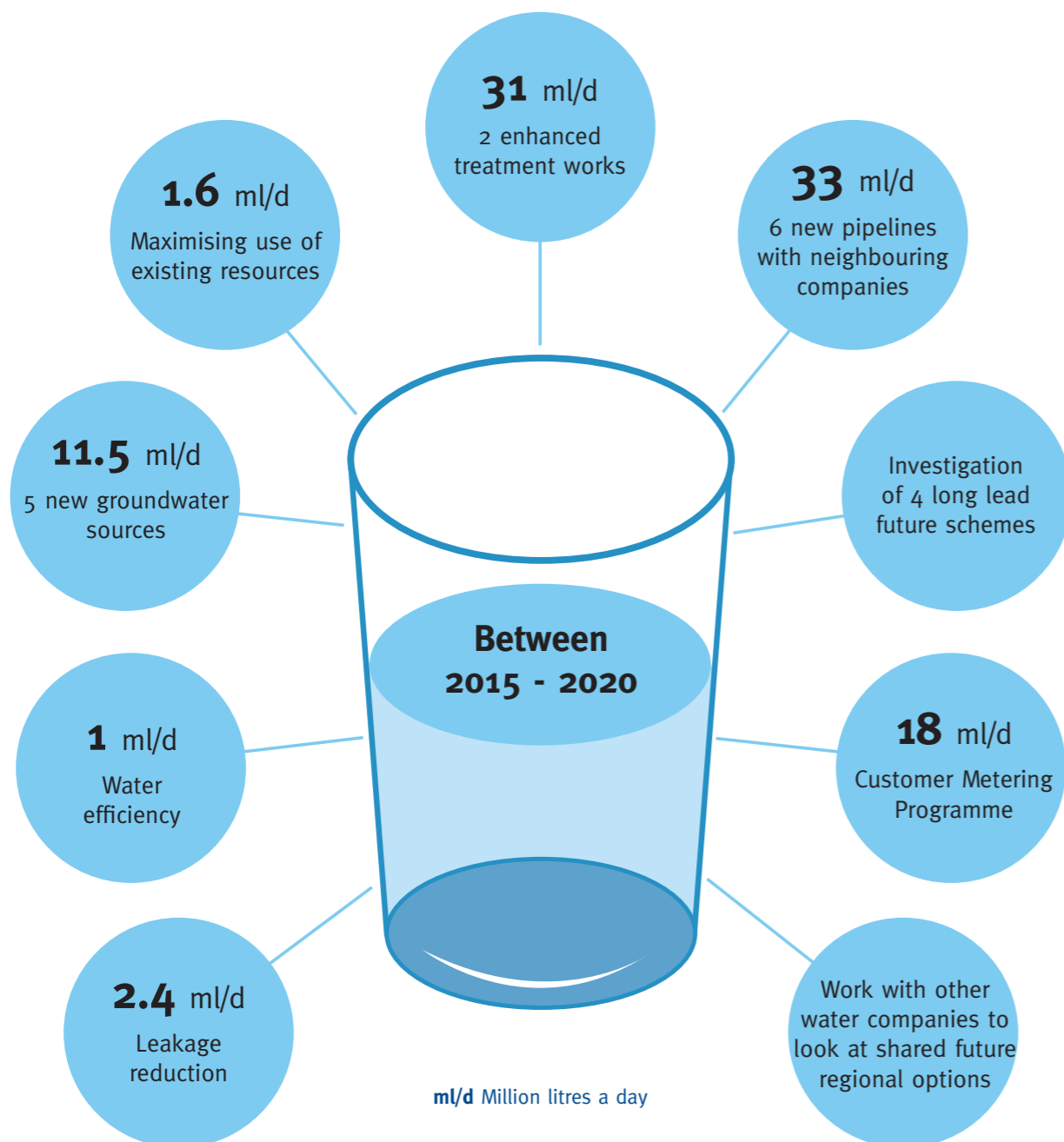
Type of scheme	Scheme name	Peak yield ML/d*	Start date
Reservoirs	River Medway Scheme (Bewl Reservoir) maximising use of existing resources	1.6	2016
	Broad Oak Water	13.5	2033
	Arlington Reservoir extension	22.1	2036
	Total	37.2	

Type of scheme	Scheme name	Peak yield ML/d*	Start date	
Regional transfers	Bough Beech to Riverhill	From Sutton & East Surrey Water	5.0	2023
	Clanfield to Tilmore	From Portsmouth Water	10.0	2040
	Outwood to Whitely Hill	From Sutton & East Surrey Water	5.0	2020
	Kingston	To Affinity Water	-2.0	2021
	Matts Hill to Detling	From Southern Water Services	5.0	2022
	Windsor to Surrey Hills	From Thames Water	10.0	2031
	Total		33.0	

Type of scheme	Scheme name	Peak yield ML/d*	Start date
Water re-use	Aylesford	12.5	2023
	Peacehaven	25.0	2027
	Total	37.5	
Water treatment works	Improving existing works in WRZ2	2.0	2016
	Improving existing works in WRZ4	29.0	2020
	Total	31.0	
Total new water		156.1	
Transfers within supply area	Kippings to Pembury	4.0	2016
	Aylesford to Blackhurst	4.0	2020
	Best Beech to Blackhurst	10.0	
	Total	18.0	
Grand total		174.1	

What's next in 2015-2020?

While this Water Resources Management Plan looks at a long-term view of investment, in the shorter term this graphic below shows what work we are doing to secure water supplies for current and future customers.



How you can find out more and get involved

We would be delighted to come along to your community or interest group, or school to tell you more about water resources management. Please contact us via:

communications@southeastwater.co.uk to find out more.

We will be keeping our website updated with our progress on securing future water supplies with details of how you can get involved in the next Water Resources Management Plan and help secure future water resources.

Useful links

Drought plan – southeastwater.co.uk/droughtplan

Water Resources Management Plan in full – southeastwater.co.uk/WRMP

Environment and Social Achievements Report – southeastwater.co.uk/ESAR

Contact information

southeastwater.co.uk

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By: John Lynch (Head of Democratic Services)
 To: Kent Utilities Engagement Sub-Committee 27 February 2017
 Subject: Technical & Development Services
 Classification: Open

Summary: Technical & Development Service, a construction and development consultancy firm, is providing an update to the Committee utility engagement from the perspective of developers.

Introduction

1. Robin Bishop is the Managing Director of Technical & Development Service (TDS) Southern. Mr Bishop is engaging with the Committee to provide an insight into development needs and processes as well as the current level of engagement with the utilities sector.

Technical & Development Services

2. TDS provides consultancy support to the construction sector using experience as practicing developers. This work includes engaging with the utility sector on behalf of developers to assess market competition, fair pricing and project feasibility.
3. Key areas of work include:
 - Section 38 highways adoptions
 - Section 104 sewer adoptions
 - Public open spaces adoptions and transfers
 - Utility applications
 - Contesting utility costs
 - Land investigation
 - Project management

In addition to supporting the development sector, TDS has worked with the government on numerous issues:

- The Water Act 2003 (and related guidance)
- OFGEM Electricity Connection steering group

- The All Part Parliamentary Group for Water
 - Planning Policy Statement 25
 - The Steering Group for the transfer of Private Sewers
 - The Steering Group for PPG3
 - Highway Authority Policies (in partnership with the DfT).
4. TDS offers services to support developers at the planning stage, including pre purchase assessments and a topographical survey of sites that can form a basis for design and support review of potential problems and design solutions. The survey can encompass a utility trace which uses a combination of utility record plans and on site Electromagnetic / Ground Penetrating Radar (GPR) detection to provide a comprehensive multi-utility drawing.

Recommendations:

Members are asked to note the presentation and information provided by Technical & Development Services.

The Committee may require further information be provided by relevant KCC departments and it may request further information from TDS.

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Democratic Services
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e-mail: joel.cook@kent.gov.uk

Appendices:

TDS Water update – Summer Newsletter 2016

Background Information:

TDS website - <http://www.t-d-s.com/>

ARE YOU AWARE OF THE MOST REVOLUTIONARY CHANGES IN THE WATER & SEWERAGE SECTOR SINCE PRIVATISATION IN 1989?



Competition and transparency are two major factors in the reasoning behind why the Government are looking to introduce Market Reform and the Charging Rules in the Water and Sewerage Sector. For many years business customers and more importantly developers, have been void of this in their dealings with Water and Sewerage Companies. As of April next year, all of this (in theory) is about to change.

SO WHAT DOES IT MEAN FOR THE DEVELOPERS?

Firstly the Market Reform will introduce the concept of a retail and wholesale market. What and how this will be implemented and structured is still under discussion with OFWAT. It does seem unlikely that April 2017 will be a realistic date for Market Reform to be introduced. However, it does look likely that temporary build supplies to site compounds, show homes and properties under construction will require a developer to nominate an organisation that holds a water supply licence. Yet when the property is completed, the purchaser will then revert to being billed for water and sewerage services by the Incumbent Water Company, but this is one with "watch this space" written all over it!

The Charging Rules are also in the embryonic stage of their evolution. Although DEFRA have sought to give direction to OFWAT with regards to some overarching principles in relation to what the rules need to be mindful of. The specific principles concerning the developers charging rules have yet to be consulted on by DEFRA, but OFWAT have issued a discussion paper on their emerging thinking.

"IT IS FAR TOO EARLY TO DRAW ANY CONCLUSIONS ON WHAT THE RULES WILL LOOK LIKE YET".

However, the issue of offsite reinforcement for both water mains and sewers is proving to be an interesting area of debate (See TDS article entitled "Are you falling foul of offsite network reinforcement").

In light of where we are now and an implementation date of April 2017 it does look highly unlikely that the charging rules will be in place for that date, so **"watch this space"!**

BREAKFAST SEMINARS

**MORE DETAILS
COMING SOON**



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