



Environment & Transport Select Committee
11 September 2013

Overview of Water Management in Surrey

Purpose of the report: Policy Development and Review

To provide an overview of water issues (excluding Lead Local Flood Authority functions) in Surrey as the basis for determining further lines of enquiry.

Introduction:

1. Last year, the Environment & Transport Select Committee received a briefing on water issues in Surrey. This paper provides updated information on water issues in Surrey and the main activities underway within the County Council. The County Council's responsibilities as Lead Local Flood Authority will be dealt with at a separate Select Committee item later in the year and therefore is not covered in this report.

Water Issues in Surrey

State of Surrey's Water

2. The Environment Agency is developing a report on the state of Surrey's water which covers water resources, water quality and flood risk. The draft report is to follow and will be circulated to Members in advance of the Select Committee meeting.
3. The South East region is designated as a region under water stress, although within Surrey only the north west is classified as being in a supply demand deficit. The report looks at the current levels of abstraction and supply from reservoirs as well as the current leakage rates. Despite some fluctuation in leakage rates in the past 10 years, they have decreased from 68 million litres lost in 2011/02 to 59 million litres lost in 2012/13.

4. With regard to demand management, the water consumption rate has been falling over recent years, with current consumption rates now at the same level as during the 2006 hosepipe ban. The number of households with a water meter has doubled in the last 10 years, to 40% in 2012/13. However, consumption in Surrey remains higher than the national average 157 litres per day as compared to 145 litres per day national average, with some parts of Surrey as high as 170 litres per day.
5. Under the Water Framework Directive, all water bodies should be moving towards good ecological status. Within Surrey, 19 water bodies have achieved good ecological status, with 45 at poor status and 2 at bad. The most significant water management issues in Surrey are point source pollution, diffuse source pollution and physical modification of water bodies.
6. With regard to pollution, 364 pollution incidents were reported to the Environment Agency between 2011 and June 2013. Of these, one was a category 1 incident (i.e. serious pollution causing major impact). Of these 364 incidents, 106 incidents have been reported in the first six months of 2013, compared to 85 in 2011 and 173 in 2012.
7. The Environment uses the National Flood Risk Assessment to identify the likelihood of flooding from rivers and the sea, and the expected cost of damage that flooding could cause. Within Surrey, Runnymede is the borough with the highest flood risk, with Spelthorne and Elmbridge at moderate risk.
8. Within Surrey, the County Council, the Environment Agency and the boroughs work together to identify and develop flood alleviation schemes. The current scheme list is included within the report.

Progress to Date

9. The County Council has been progressing work in a number of areas over the last year. The key areas of note are set out below.

Strategy development

10. Surrey County Council has a statutory duty to produce a Local Flood Risk Management Strategy under the 2010 Flood and Water Management Act. It is one of the first Lead Local Flood Authorities to publish a draft strategy.
11. Residents and businesses do not always distinguish between different types of flood risk; the impact is their key concern. The strategy therefore illustrates levels of risk within the county from all sources of flood risk. This is broader than the types of flood risk for which Surrey County Council is strictly responsible. It recognises the desire for partnership to manage and prevent flood risk between Surrey's risk management authorities and others.

12. Through the **Surrey Local Flood Risk Management Strategy** we aim to increase awareness of local flood risk issues. The document sets out how partners are working together to reduce flood risk. It provides, for the first time, an overview of the ongoing flood risk management work underway across Surrey. The organisations in Surrey with responsibility for flood risk management have worked together to produce the strategy.
13. The **Surrey Flood Risk Partnership Board** oversees the strategy. The Assistant Director, Highways, in Surrey County Council chairs the partnership board, which ensures there is a strategic approach to flood risk management within Surrey. Flood risk management falls under the remit of the Surrey County Council Cabinet Member for Highways, Transport and Environment.
14. Under the 2010 Flood and Water Management Act, risk management authorities have a duty to be consistent with the strategy. This implies that Surrey borough and district councils will ensure local plans and assessments are consistent with the strategy including the Local Plan, Strategic Flood Risk Assessment and the Multi-Agency Flood Plan.

Lower Thames Strategy

15. The Lower Thames Strategy (LTS) is a long-term plan to manage flood risk in the Lower Thames area from Datchet to Teddington. It aims to reduce the risk of river flooding to 15,000 properties that have a 1 in 100 year (1% annual) chance of flooding; the scheme is being developed and managed by the Environment Agency and involves capacity increases to weirs at Sunbury, Molesey and Teddington, the widening of the Desborough Cut and building of three new flood diversion channels and property level protection for households that will not benefit from the engineering works. The measures proposed would take approximately 7,200 properties out of the 1 in year 100 year flood risk (so less than 1% annual) while the risk of flooding to the remaining properties will be significantly reduced.
16. The property level protection scheme has begun with pilot properties in Elmbridge, Spelthorne and Runnymede receiving measures. Between December 2012 and February 2013, the Environment Agency held a series of drop in sessions to provide more information about the scheme and sign up for threshold surveys. During February and March 2013, the Environment Agency carried out threshold surveys to 550 properties that signed up to the scheme. For those eligible properties, installation is likely to start late spring/summer 2013 and will continue over the next two years.
17. The EA have estimated the cost of the LTS at £256m but there is currently a funding shortfall. In June 2011 Defra introduced a new policy of partnership funding. Under this policy fewer flood defence schemes would receive 100% Defra funding but more schemes would receive Grant in Aid (GiA) funding. In 2009 the LTS was eligible for 100% Defra GiA funding, based on the strength of its business case. However the change in policy means that the LTS will only receive half of the GiA funding required which equates to a shortfall of about £121 million. The

partnership funding model is unlikely to change and financing options are now a key priority of the newly formed Lower Thames Steering Group. In order to manage this shortfall the scheme is being phased, so that work can commence on property level protection and carrying out feasibility studies and securing planning permissions in the first phase.

18. The Thames Region Flood and Coastal Committee has allocated significant funding to this first phase and Governance arrangements are now being established with the affected local authorities, to ensure the project is properly managed.
19. To date we have engaged with the Environment Agency in a number of ways:
- a) Offered expert planning advice.
 - b) Assisted with communicating property level protection and ensuring that local members are aware of the activity in their area.
 - c) Written to the Secretary of State to call for the Lower Thames Strategy to be designated a National Infrastructure Project.
 - d) Fed into the establishment of a Lower Thames Steering Group, which includes senior officer representation from all of the relevant local authorities.

Managing the Impact of Utility Works on the Highway

20. Surrey County Council and East Sussex County Council have been granted government consent to operate a roadworks permitting scheme. When utility works are noticed, the utility company tell the County Council where and how long they will need to undertake their works for, and the County Council monitors and challenges these notices to minimise disruption on the network. As there are approximately 45,000 notices per annum, this is a substantial task. The intended start date for the permitting scheme is late this calendar year. This will shift the emphasis from challenge to one of coordination and will contribute to reducing congestion and disruption to the network.
21. Utility companies will still need to carry out works, both planned and emergency. Nevertheless it is expected that the permitting scheme will reduce the impact and will enable better alignment of the County Council's planned works with those of utility companies.

Water Resource Management Plans and Price Review 14

22. The UK water companies are in the process of developing their Water Resource Management Plans (WRMPs). These plans set out options and a preferred solution for balancing water supply and demand over the next 25 years. Since 2007, the water companies have had a statutory requirement to produce a WRMP every five years. The WRMP process sits alongside the process for setting Water Company price limits, known as "Price Review 14".

23. The WRMP’s cover measures to manage demand and to increase supply. These include:
- Metering programmes, including some compulsory metering¹.
 - Engagement programmes, including measures to increase awareness, engagement with high water consumers, water saving devices.
 - Leakage, including targets to reduce leakage rates and measures to improve detection.
 - Proposals for supply expansion including groundwater, new and expanded reservoirs, water treatment works and intra and intercompany transfers.
24. The context of the WRMPs is the Water White Paper, “*Water for Life*”, which sets out the requirements from the WRMP process:
- a) Reflect longer term supply challenges to 2050.
 - b) More accurately reflect the cost of abstraction to the environment.
 - c) Set ambitious plans for reducing average water consumption.
 - d) Consider scope for improved interconnection.
 - e) Make greater use of water trading and options provided by other parties.
25. There are four water companies operating in Surrey, as set out in the table below. The South East Region is designated by the Environment Agency as a region under severe water stress. Surrey currently has above average water consumption - 157 litres per capita per day as compared to a national average of 145 litres per day. Surrey has leakage rates estimated at 52 litres per person per day. As of 2013, 40% of Surrey households had water meters. Surrey has a number of high water consumers, such a farmers and golf courses, whose livelihoods are heavily dependent on water supply.

Water company	Surrey area scope
Affinity Water	Woking, Ascot, Egham, Staines
South East Water	Eastern Edge of Surrey Heath, Guildford & Waverley boroughs inc Frimley, Farnham and Camberley
Sutton & East	Cobham, Leatherhead, Dorking, Reigate &

¹ Of the four companies, Affinity is introducing compulsory metering in the Surrey area with an aim to achieve 90% penetration by 2023, Thames Water has plans for progressive metering with a target to achieve 78% penetration by 2040; South East Water is introducing compulsory metering with an aim to achieve 90% penetration by 2020; Sutton & East Surrey is introducing compulsory metering from 2020, with an aim to achieve 90% penetration by 2040.

Surrey Water	Redhill
Thames Water	Guilford, Godalming, Cranleigh,

26. Sewerage is dealt with separately, and Thames Water is responsible for sewerage for the whole of Surrey.
27. Consultation on the draft WRMPs was recently completed and the County Council responded to each of the four water companies. Broadly, our responses covered the following aspects:
- a) Water companies should set out how they will achieve sustainable economic levels of leakage and measures planned to improve leakage reduction including earlier detection and response times.
 - b) Water companies should have clear and ambitious targets for metering. The targets set are variable, in part due to the differing nature of the housing stock in the different areas.
 - c) Water companies should have a comprehensive programme of engagement on water management, integrated with their metering and leakage programmes, including plans to target high water consumers.
 - d) Concern about the sustainability of bulk transfer plans in a period of drought – concern about over-reliance on this approach within the region, given that the EA has already classified the South East region as being an area under serious water stress.
 - e) Emphasise the importance of environmental quality and impacts of abstraction from groundwater sources.
 - f) Seeking a commitment all highway works will be properly resourced and managed to minimise disruption, ensure right first time and involve early engagement with us at the planning stage.
28. The County Council is in dialogue with the Environment Agency about any further steps to be taken to ensure that the Price Review 2014 process ensures the best outcome for Surrey residents.

Conclusions:

29. Surrey is an area under severe water stress but also significant parts of the County are at risk from flooding. As lead local flood authority, the County Council has a set of clearly defined roles and responsibilities which are being carried out and will be the subject of a Select Committee item later in the year.
30. In addition to this, the County Council has a role to play in demonstrating strategic leadership in this area, through working in partnership with others and engaging in specific issues that have an impact on our residents and our economy.

Recommendations:

The Select Committee is asked to comment on the contents of this report and the State of Water in Surrey report, and to identify any areas where further scrutiny is required.

Next steps:

The State of Water report will be shared with partners and published on the Surrey County Council website.

We will continue to work with partners on the areas outlined above.

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Sources/background papers: Draft Surrey Local Flood Risk Management Strategy 2012-2016, 2010 Flood Water Management Act, RFCC Briefing March 2013, Lower Thames Steering Group Minutes July 2013, Water Resource Management Plans (WRMPs) 2014, Price Review14, White paper "*Water for Life*".

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