

By: Peter Lake – Chairman of the Scrutiny Committee
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To: Scrutiny Committee – 6 July 2018

Subject: Proposed re-convening of the Kent Utilities Engagement Sub-Committee

Status: Unrestricted

Summary: The Scrutiny Committee is asked to consider the recommendation to reconvene the Kent Utilities Engagement Sub-Committee to focus on better working across utilities and ensuring that utility provision is properly aligned with planned growth.

The Kent Utilities Engagement Sub-Committee was established in 2016 but has not re-convened following the Kent County Council elections in 2017. As previously, it would operate in a similar manner to the Flood Risk Management Committee, but with voluntary involvement of partner agencies.

1. Background

- 1.1 The Kent Utilities Engagement Sub-Committee (Sub-Committee) was established by the Scrutiny Committee on 9 June 2016 and it first met on 27 July 2016. At the time, the Sub-Committee agreed the following scope:
- (a) Gathering and scrutinising evidence as to the performance of utilities and other relevant bodies to support current and future growth, gathering information and data from all stakeholders – utility companies, developers, and districts;
 - (b) Identifying the key barriers involved with utilities and other relevant bodies to growth;
 - (c) Identifying and testing recommendations for overcoming these barriers;
 - (d) Engaging with national regulators as appropriate to promote these recommendations; and
 - (e) Promoting the maintenance and improvement of current infrastructure set out in the Kent and Medway Growth and Infrastructure Framework (GIF).
- 1.2 The Sub-Committee engaged with a range of key partners, including Ofwat (Water sector regulator), three major water supply and waste water companies in Kent (South East Water, Southern Water and Affinity

Water), as well as representatives from development companies and local planning authorities.

- 1.3 Its formal sessions were supported through a series of informal briefings with the Chairman, Members of the Sub Committee, key officers, the Cabinet Member and representatives of the external partners. These informal sessions provided useful insight into the key issues affecting the relevant stakeholders and have improved the efficacy of the formal meetings which have ensured wider member involvement in identifying opportunities for improvement.
- 1.4 Despite the potential for stakeholder resistance and potential impact on established relationships with the water companies, the activities of the Sub-Committee have brought the partners together in developing a positive and collaborative approach to consider ways to improve the alignment between development and the provision of utility infrastructure.
- 1.5 A key benefit of the Sub-Committee's activities has been the facilitation of frank and open communication between the development and utility sectors, with both being able to gain an improved understanding of the pressures and priorities affecting each other. It should be noted that the Sub-Committee drew the conclusion that all parties were in some part at fault for historic breakdowns in communication or business issues and that the tendency to blame others had prevented meaningful dialogue in the past.
- 1.6 The Sub-Committee therefore has provided a cross-party, apolitical forum, which facilitates effective communication and information gathering in relation to water utility activity and associated development issues. The facilitative role of KCC was welcomed by the partners and has been recognised as a positive contribution to improving the ways of working in Kent.

2. Next Steps

- 2.1 The recently published GIF 2018 Update continues to identify the utilities sector as an area that needs attention. It sets out a commitment to continue to collaborate with the utilities sector to align with the County's growth plans and to evidence the need for, and encourage, through the Sub Committee, the necessary capital investment. We would like to continue the work of the Sub Committee in a similar format, but to now redirect the focus to the energy sector. Additionally, we will continue as appropriate to monitor progress updates as to the previous water sector workstream.

Current and Future Energy Systems

- 2.2 The energy system in the UK and Kent is changing. Two-thirds of the UK's existing coal, gas and nuclear power stations are set to close by 2030 and any future power stations must be largely decarbonised if the UK is to achieve its legally binding targets of cutting CO2 emissions by 80% by 2050.

- 2.3 At the same time, by 2031 energy demand in Kent is predicted to grow significantly e.g. gas by 25% (from 8,556 GWh per year to 10,550 GWh per year) and electricity by approximately 19% (from 3,101 GWh per year to 3,699 GWh per year).
- 2.4 Energy security -namely energy that is affordable, secure and low carbon -is vital to the future development and growth of Kent and Medway. However, much of the County is already subject to electricity grid network constraints, which can inhibit supply and demand, stall development and increase uncertainty on the network.
- 2.5 The national drive towards more local, low carbon energy generation - in particular renewables - will further increase pressure on the grid and with it, the potential to cause disruption to supply.
- 2.6 As growth accelerates, it will be essential to map existing electricity and gas grid constraints against future developments to identify potential issues early, as well as solutions, including potential local generation options, such as district heating systems and smart grids.
- 2.7 Looking forward, the County must move towards a smarter, more efficient and integrated circular energy 'system', which encourages more local generation and is more evenly balanced with a decreased reliance on energy imports. A smart and flexible system is required that provides and uses energy only when it is needed and as close to the customer as possible to minimise transmission waste and maximise use of waste heat.

3. Objectives and outcomes of the Sub-Committee

- 3.1 The Sub-Committee would work to achieve the following objectives and outcomes:
- Work with utilities companies to establish and map existing grid constraints against current and planned development to give a more informed strategic view of where issues exist;
 - Identify a better approach to future planning that identifies constraints and opportunities earlier and allows for development of smarter, more local solutions to energy generation and supply;
 - Establish a process for identifying and developing solutions and funding opportunities to current, near future grid connection issues with development coming forward; and
 - Work with the KCC Sustainable Business and Communities Service to maximise future opportunities and develop a forward-looking approach to energy planning and infrastructure as part of the Kent and Medway Energy and Low Emissions Strategy, the

Tri-Local Enterprise Partnerships Energy Strategy and the Business, Energy and Industrial Strategy Energy Hubs.

4. Stakeholders to involve

4.1 The Sub-Committee would look to engage the following stakeholders:

- Utilities – United Kingdom Power Network and Scotia Gas Networks;
- Regulator – Ofgem;
- Districts - Local Planning Authorities;
- Public sector energy users and landowners;
- Department for Business, Energy and Industrial Strategy and Ministry of Housing, Communities and Local Government;
- Kent and Medway Economic Partnership / South East Local Enterprise Partnership representatives;
- Developers; and
- Business, Energy and Industrial Strategy Energy Hubs.

5. The format of the Sub-Committee

5.1 The Sub-Committee would have three meetings a year, supported again through a series of informal meetings with the relevant officers and stakeholders as appropriate

5.2 In accordance with the Local Government and Housing Act 1989, the places on this Sub-Committee should be proportional to the number of seats each group holds on the council.

Political Group	Number of Seats	Proportion of Seats	Sub-Committee
Conservative	67	83% (82.71)	7 (7.47)
Liberal Democrat	7	8% (8.64)	1 (0.72)
Labour	5	6% (6.17)	1 (0.54)
Independents	2	3% (2.46)	0 (0.27)
Total	81	100%	9

5.3 Therefore, it is suggested that the Sub-Committee has nine Members: seven Conservatives, one Liberal Democrat and one Labour. It is also suggested that an Independent Member be invited to attend.

6. Recommendation

6.1 That the Sub-Committee be re-convened with nine Members on the basis of seven Conservatives, one Labour and one Liberal Democrat, with membership to be confirmed by the relevant group leaders. It is also suggested that an Independent Member be invited to attend the Sub-Committee.

6.2 The Sub-Committee's Terms of Reference, as set out in the attached Appendix, be approved.

7. Appendices

Kent Utilities Engagement Sub-Committee – Terms of Reference

8. Background Papers

[Kent and Medway Growth and Infrastructure Framework \(GIF\) – 2018 Update](#)

9. Contact details

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