

**KENT UTILITIES ENGAGEMENT SUB-COMMITTEE**

**Wednesday, 27th July, 2016**

**10.00 am**

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







## AGENDA

### KENT UTILITIES ENGAGEMENT SUB-COMMITTEE

**Wednesday, 27th July, 2016, at 10.00 am**      Ask for:      **Anna Taylor / Joel Cook**  
**Darent Room, Sessions House, County Hall, Maidstone**      Telephone:      **03000 416478**

#### Membership

Conservative (5):      Mr R J Parry, Mr J A Davies, Mr R L H Long, TD, 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 Introduction/Webcast Announcement
- 2 Election of Chairman
- 3 Election of Vice-Chairman
- 4 Apologies and Substitutes
- 5 Declarations of Interests by Members in Items on the Agenda for this Meeting
- 6 Terms of Reference of the Kent Utilities Engagement Sub-Committee (Pages 5 - 8)
- 7 Objectives of Kent Utilities Engagement Sub-Committee (Pages 9 - 10)
- 8 Background Information (Pages 11 - 18)
- 9 Proposals for the Kent Utilities Engagement Sub-Committee (Pages 19 - 20)

## **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)*

Peter Sass  
Head of Democratic Services  
03000 416647

**Tuesday, 19 July, 2016**

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

By: Peter Sass – Head of Democratic Services  
To: Kent Utilities Engagement Sub-Committee – 27 July 2016  
Subject: Terms of Reference  
Status: Open

---

Summary: The Kent Utilities Engagement Sub-Committee's Terms of Reference as set out in the attached document be noted

---

## 1. Background

- 1.1 The attached Terms of Reference were submitted to the Scrutiny Committee on 9 June. The Scrutiny Committee requested that the following words, set out below in italics, be added to bullet point 5.
- 1.2 The sub-committee is a subcommittee of the Scrutiny Committee *with membership drawn from all members of the council.*
- 1.3 The attached document includes this amendment.

## 2. Recommendation

- 2.1 The Kent Utilities Engagement Sub-Committee's Terms of Reference as set out in the attached document be noted.

## 3. Contact details

### Report Author:

Anna Taylor - Scrutiny Research Officer  
03000 416478  
[anna.taylor@kent.gov.uk](mailto:anna.taylor@kent.gov.uk)

This page is intentionally left blank

# KENT UTILITIES ENGAGEMENT SUB-COMMITTEE

## TERMS OF REFERENCE

*9 Members*

*Conservative – 5; UKIP – 1; Labour – 1; Liberal Democrat – 1; Independent – 1.*

### **Responsibility and outcomes:**

1. This sub-committee is responsible for engaging with utility providers and regulators operating in the Kent area.
2. The goal of the sub-committee is to achieve better alignment of utilities planning and connections to developments across Kent and to improve the quality of life of Kent citizens.
3. The sub-committee will highlight examples of good and bad practice and work with utility providers to devise and promote effective utility and development strategies, making suggestions for improvement and engaging with national regulators where appropriate.
4. The sub-committee will use regular engagement with key partners in the utility and development sectors to improve communication, avoid unnecessary duplication and increase transparency.

### **Governance:**

5. The sub-committee is a sub-committee of the Scrutiny Committee with membership drawn from all members of the council.
6. The sub-committee provides a report to the Scrutiny Committee on an annual basis, or more regularly if required.
7. The sub-committee will meet three times a year, with additional meetings arranged as required.
8. As a partnership meeting, attendance of all external parties is encouraged in the spirit of joint-working but will be on a voluntary basis.

### **Agenda setting:**

9. A work programme will be maintained by the Growth, Environment & Transport directorate, developed in consultation with Members, partner agencies, utility providers and regulators.

This page is intentionally left blank



By: Mr Parry – Chairman, Scrutiny Committee  
 Peter Sass – Head of Democratic Services

To: Kent Utilities Engagement Sub-Committee – 27 July 2016

Subject: Objectives of the Kent Utilities Engagement Sub-Committee

Status: Unrestricted

Summary: An outline of the purpose of the Kent Utilities Engagement Sub-Committee is set out below – this is for noting by Members of the Sub-Committee

## 1. Purpose

- 1.1 To provide oversight and encourage better co-ordination of strategy across partners to enable utilities to better align with development.
- 1.2 To be a Sub-Committee of the Scrutiny Committee, to enable Member led engagement with the Utilities.
- 1.3 To enable partners to overcome challenges locally where possible, but where necessary, engage with national regulators where scrutiny of the utilities is formally held (by Ofwat, Ofgem and Ofcom).
- 1.4 To bring a strategic perspective to the utilities landscape, showcasing best practice where companies have the correct relationships, and focusing attention on those areas where improvement is needed.
- 1.5 To enable KCC, the utilities companies and developers to work together for the benefit of the people and businesses of Kent.
- 1.6 The Sub-Committee should be held in public and be scheduled as required throughout the year. The usual rules will apply to any exempt information, including commercially-sensitive information.
- 1.7 The operations of the sub-committee would be through individual meetings separate from those of the parent Scrutiny Committee, mirroring those of the Flood Risk Management Committee.
- 1.8 In pursuing these objectives it is recognised that KCC has no formal scrutiny role.

**Recommendation:** Members are asked to note the report.

**Report Author:** Anna Taylor - Scrutiny Research Officer , 03000 416478  
[anna.taylor@kent.gov.uk](mailto:anna.taylor@kent.gov.uk)

This page is intentionally left blank

By: Matthew Balfour, Cabinet Member for Environment and Transport  
Katie Stewart, Director of Environment Planning and Enforcement

To: Kent Utilities Engagement Sub-Committee

Subject: Background information

Classification: Unrestricted

---

**Summary:** The Utilities Engagement Sub-Committee has been established to examine how utility provision can better support growth in Kent. There has been some progress made in developing relationships with the utilities, in the first instance the water utility companies, through a programme of liaison meetings, noting the need to more effectively bring about real change.

---

## **Introduction**

1. On 6<sup>th</sup> June the KCC Scrutiny Committee resolved to establish a Kent Utilities Engagement Sub-Committee to improve utility provision to support sustainable growth across Kent and Medway.
2. This paper summarises:
  - (a) A broad overview of the relevant contextual issues that need to inform the Sub Committee's work;
  - (b) An overview of KCC's work to date to understand any issues with utilities provision and engagement already in place with the water utilities;
  - (c) Further background reading on utilities provision in the UK.

## **Overview and contextual information**

3. The Kent Growth and Infrastructure Framework (GIF) sets out the scale of the planned growth up to 2031 and the infrastructure investment that will be needed to ensure that this growth is sustainable. The total cost of the entire infrastructure requirements has been estimated at £6.74 billion and there is currently a remaining funding gap of about £2bn. Utility infrastructure forms part of the total cost and is funded through a combination of customer bills and charges to housing developers.
4. Problems regarding the timely provision of electricity, gas, water, wastewater and telecoms infrastructure to support growth in Kent have persisted for many years

and, although there may be some locally specific issues, the problems are part of a national issue.

5. A fundamental problem appears to be that the developers of housing and commercial buildings need to respond quickly to changing demand and market prices but this sits uneasily alongside inflexible, highly regulated infrastructure planning model of utility companies that requires certainty and long term planning to avoid wasted investment and ensure just-in-time delivery. Utility companies look to local planning to help anticipate infrastructure needs but this does not provide the level of certainty that they need.

6. Increased competition is expected to deliver better utility services overall and the economic regulators (Ofgem, Ofwat and Ofcom) are looking to bring competition to bear on the provision of utility connections for new developments by allowing third party connections providers to compete in the market. This approach appears to be working for the gas sector but the introduction of competition has been slow in the electricity sector and is very poorly developed in the water, wastewater and telecoms sectors.

7. In December 2014 the Department for Communities and Local Government produced a report entitled 'Better Connected' that covered electricity, gas, water and telecoms and included a set of detailed monitoring indicators, standards and compensation schedules. It was followed shortly afterwards by a set of voluntary standards for the water industry which appears to have had a transformational impact on developer services in that sector. For the water industry, the development of these standards was led by the industry body WATER UK.

8. Further background reading on utilities provision in the UK is provided at **Appendix 1**.

9. Despite these advances in introducing competition and guidance, there remains a strong sense from districts and developers alike that the provision of utilities remains a key barrier to sustainable growth across Kent.

### **Experience to date**

10. Recognising the fundamental connection between the sustainable growth and utilities agendas, KCC has made some progress over recent years to identify the specific issues arising from utilities provision in Kent, and has started to make some progress in engaging with the utility companies, and with water companies in particular – experience which provides a useful platform for the Sub-Committee to consider the scope of its work.

### *Identifying the issues*

11. In September 2012 KCC held an Infrastructure Summit entitled 'Action for Growth'. At this event concerns were raised, primarily by developers, about the responsiveness of utility companies to construction timetables of developers.

12. This was followed up in discussions with the Kent Developers Group (KDG) in 2013, and subsequently, KCC commissioned a survey of developers by the policy think tank 'Localis'. This work was further followed up at the 2014 Kent Construction Expo with a discussion workshop and exhibition stands for competitor utility services companies. A note of this session is included at **Appendix 2** to provide an indication of the issues raised by representatives.

13. More recently a workshop was held with KDG and other organisations on 5<sup>th</sup> April 2016. This was effective in drawing out some of the issues faced by developers however it also became apparent that each company's experience differed to a considerable degree. A follow-up survey has been completed and the report is due very shortly. The note of this meeting is included at **Appendix 3**.

14. Further, in the course of developing and since refreshing the Kent and Medway Growth and Infrastructure Framework, there has been initial engagement with the district planning teams in understanding particular issues and themes facing the local planning authorities across Kent in facilitating development and the role that utilities can and should play in such growth. In a similar way to developers, it is clear that there is a perception that utilities serve more often to block or delay new development than facilitate or enable growth; however, there is a real need to unpick where the real issues are, and what specifically the cost/impact of such issues are, as well as potential solutions.

#### *Collaboration and partnership working with water utility companies*

15. When the water companies' Water Resources Management Plans (WRMPs) were first opened to public consultation in 2006, KCC took the opportunity to respond robustly and this led, in 2008, to KCC challenging South East Water's (SEW) plan at a public inquiry. This was a costly and partly unsatisfactory process for all the parties involved, but it was also the catalyst for developing a more constructive collaboration with SEW that has since been replicated with Southern Water and Affinity Water and broadened beyond resource planning to include the companies' developer services functions, early information on major developments, updates on major water company projects, and other issues of mutual concern. This collaboration is conducted through regular high-level liaison meetings.

16. For KCC the liaison meetings are attended by the Cabinet Member for Environment and Transport, the Deputy Cabinet Member for Economic Development, the Chairman of the Utilities Engagement Sub-Committee and senior officers.

17. The programme of meetings has so far been focused on the three water companies (South East Water, Southern Water and Affinity Water) that cover approximately 85% for the Kent and Medway area. The water company representatives at the liaison meetings are generally the heads of stakeholder engagement / communications and senior managers for water resources and wastewater.

18. The meetings take place approximately every six months and have been effective in developing an open and constructive working relationship. Over time, this

has meant that KCC is able to challenge the companies robustly and receive timely response on issues of serious concern. Along with working with water companies both strategically in inputting to their Water Resource Management Plans and enabling them to input to KCC strategic plans, these liaison meetings have enabled KCC to understand each company's performance against the WATER UK standards for developer services. This review of developer services performance has become a standing agenda item under which the companies explain the issues that underlie their developer services functions, the measures taken to improve their performance, and their resulting standing in the performance league tables.

19. In the first quarter of monitoring results (April to June 2015) Southern Water and Affinity Water were amongst the worst performing companies and South East Water's performance was slightly above average. One year on, all three companies have over 90% compliance and Southern Water is the best performing company nationally and is now moving on to also investigate the developers' experience of their service.

20. Whilst these improvements are clearly not attributable entirely to KCC's efforts, they highlight the value of KCC's involvement and also the national regulatory frameworks in influencing the performance of utilities.

21. On the back of the progress made in developing positive working relationships with the water companies, KCC is now working to build similar strategic relationships with the energy and telecoms utilities, and a similar model to the water liaison meetings will be put in place.

### **The Challenges Remaining**

22. Despite progress made in building relationships with utilities and starting to gather the evidence as to key issues in the provision of utilities to support new development, there is still a requirement for KCC to promote effectively new ways of working and to exercise effectively influence over the performance of utilities.

23. The formal scrutiny of utilities is the remit of national regulators, Ofwat, Ofgem and Ofcom.

24. Given KCC's duty to facilitate sustainable growth across the county, the Council and thus the Utilities Sub-Committee plays a key role in identifying barriers to such growth and promoting solutions.

25. From all stakeholders, whether the developers, districts or the utility companies, there is a common message that there is a lack of understanding, and a lack of evidence, between all parties in understanding the issues with utilities and the potential solutions.

### **Recommendations**

Members are recommended to:

- Note the context for the Sub-Committee.

**Report author:**

Alan Turner, Water Resources Manager, EPE.

Tel No: 03000 417187

E-mail: [alan.turner@kent.gov.uk](mailto:alan.turner@kent.gov.uk)

## Appendix 1. References and further background reading

Davis Langdon (2011). Utilities Connections: A Guide for Developers.  
<https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=Getting%20Connected%20Utilities%20Guide%20for%20Developers&ID=4772&RPID=10757047&sch=doc&cat=14673&path=14673>

Department of Communities and Local Government (2014). Better connected: A practical guide to utilities for home builders.  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/389772/Better\\_Connected\\_Dec14\\_2.PDF](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/389772/Better_Connected_Dec14_2.PDF)

Housing and Finance Institute (2016). How to build more homes, faster.  
<http://thehfi.com/how-to-build-more-homes-faster-march-2016/>

NFB (2011). Utilities survey 2011.  
[http://www.builders.org.uk/eblock/services/resources.ashx/000/309/966/NFB\\_utilities\\_survey\\_report\\_2011\\_web\\_version.pdf](http://www.builders.org.uk/eblock/services/resources.ashx/000/309/966/NFB_utilities_survey_report_2011_web_version.pdf)

Ofgem (2016). Competition in connections  
<https://www.ofgem.gov.uk/electricity/distribution-networks/connections-and-competition/competition-connections>

Ofgem (2016). Quicker and more efficient distribution connections  
<https://www.ofgem.gov.uk/publications-and-updates/quicker-and-more-efficient-distribution-connections>

Water UK, Developer services reports  
<http://www.water.org.uk/developer-services/levels-service-latest-reports>

Water UK, Levels of service for water main requisitions and service connections.  
<http://www.water.org.uk/publications/water-industry-guidance/%E2%80%A8levels-service-water-main-requisitions-and-service-connections>



## **APPENDIX 2**

Kent Construction Expo 2014  
Seminar: Utility Connections for New Developments  
Notes of the talks and discussion

<https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=Notes%20of%20Expo%20Discussion%20on%20Utilities%20for%20Developm&ID=4774&RPID=10757100&sch=doc&cat=14673&path=14673>

## **APPENDIX 3**

Note of KCC and Kent Developers Group Workshop on Utilities – 5 April 2016

<https://democracy.kent.gov.uk/ecSDDisplay.aspx?NAME=Minutes%20of%20Utilities%20Workshop%20Meeting%20050416&ID=4773&RPID=10757106&sch=doc&cat=14673&path=14673>

This page is intentionally left blank

By: Mr Parry – Chairman - Scrutiny Committee  
Peter Sass – Head of Democratic Services

To: Kent Utilities Engagement Sub-Committee – 27 July 2016

Subject: Proposals for the Kent Utilities Engagement Sub-Committee

Status: Unrestricted

---

Summary: Proposals on the possible scope of the Kent Utilities Engagement Sub-Committee's work are set out below.

---

## 1. Background

1.1 Further to the background information report on utility provision in Kent proposals for the work of the Kent Utilities Engagement Sub-Committee are set out in this report.

## 2. The Proposed Scope for the Sub-Committee

2.1 It is proposed that the sub-committee's remit includes the following:

- (a) Gathering and scrutinising evidence as to the performance of utilities to support growth, taking information and data from all stakeholders – utility companies, developers, and districts;
- (b) Identifying the key barriers presented by utilities to growth ;
- (c) Identifying and testing recommendations for overcoming these barriers; and
- (d) Engaging with national regulators as appropriate to promote these recommendations.

### **Recommendation**

Members are recommended to consider the proposed scope for the Sub-Committee

### **Report Author:**

Anna Taylor - Scrutiny Research Officer  
03000 416478  
[anna.taylor@kent.gov.uk](mailto:anna.taylor@kent.gov.uk)

This page is intentionally left blank