

KENT COUNTY COUNCIL

KENT UTILITIES ENGAGEMENT SUB-COMMITTEE

MINUTES of a meeting of the Kent Utilities Engagement Sub-Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 27 July 2016.

PRESENT: Mr R J Parry, Mr I S Chittenden, Mr J A Davies, Mr R L H Long, TD, Mr T A Maddison, Mr C Simkins, Mr M E Whybrow, Mr J E Scholes and Mr M Heale

ALSO PRESENT: Mr M A C Balfour

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

UNRESTRICTED ITEMS

1. Election of Chairman

(Item 2)

1. Mr Simkins nominated Mr Parry, seconded by Mr Long.

RESOLVED that Mr Parry be elected unopposed.

2. Election of Vice-Chairman

(Item 3)

1. Mr Parry nominated Mr Long, seconded by Mr Simkins. Mr Maddison nominated Mr Whybrow, seconded by Mr Chittenden.
2. Put to the vote; 5 to 4 in favour of Mr Long.

RESOLVED that Mr Long be elected Vice-Chairman.

3. Terms of Reference of the Kent Utilities Engagement Sub-Committee

(Item 6)

1. The Chairman advised the Committee that the Terms of Reference had been amended in line with recommendations made at the Scrutiny Committee meeting on 9 June 2016; specifically to clarify that membership of the sub-committee would be drawn from the full council. The Chairman commented that he was pleased to see that this approach had led to a positive representation of useful knowledge, experience and expertise among the membership.
2. The Chairman provided a summary of the background to the development of the sub-committee, explaining that it had been in response to issues relating to growth across the county and how it may be improved or better facilitated through improved communication between the utility sector, the development industry and the public sector. It was envisaged that the role of the sub-committee would be to

facilitate the necessary discussions and to support co-ordination of any subsequent partnership work.

3. Members suggested various areas of the utility and development sectors that they felt should be considered as priorities. These included:
 - Long term or historic water system decline with limited maintenance or remedial work. It was suggested that existing issues should be tackled rather than built around as was reported to be the case.
 - Broadband and telecommunication provision across the county to ensure suitable digital access to all communities.
 - Ebbsfleet Development Project – suggested due to its significant scale and requirement for additional infrastructure with consequent utility connection needs.
 - Waste water – highlighted due to significant sewage overflows and flood risk concerns observed in previous years during times of increased rain.
4. Mr Balfour welcomed the enthusiasm of the sub-committee and noted the suggestions for consideration. He advised that it was critical to understand the underlying issues and to support improved communication between the other relevant stakeholders operating in the utility and development sectors. A critical role the sub-committee could play was engaging with the national regulators to consider how their processes impact on growth and utility provision, both positively and negatively. Additionally, Mr Balfour encouraged the sub-committee to consider how developers may need to adapt their processes and work flows to better contribute to growth within the existing regulatory framework. He suggested that this work would be enhanced through site visits that would improve Members' understanding of the practical issues involved in development and utility connections.
5. Regarding specific suggestions, Mr Balfour declared an interest for future reference, that he was a member of the Ebbsfleet Development Corporation Planning Committee.
6. Members commented that it was crucial to approach the issues with an open mind and without an initial negative bias against the utility sector or developers. The contribution of both industries was valuable to the County and necessary to support continuing growth. Members suggested that it was therefore important to consider the development priorities and how they fit within the regulations.
7. Members noted that it was important that the sub-committee maintain a reasonable focus and not over-extend itself. However further recommendations were made for areas of consideration including new models energy provision and waste management for new developments.
8. Mr Balfour agreed that it was important for the sub-committee to maintain a reasonable focus and prioritise its work effectively given the large scope of utility and development work in Kent. The Chairman advised Members that training packages were in development to assist the sub-committee in understanding the key issues and identifying relevant priorities.
9. In response to a question from Members regarding the level of engagement expected from the relevant stakeholders, Ms Stewart advised the sub-committee

that significant positive work had already been undertaken in relation to building links with the utility sector as well as the Kent Developers Group. Ms Stewart explained that it was hoped that the sub-committee could build on the existing good relationships already established, such as those in place with the water sector, while also helping to develop new liaison and engagement processes with the wider utility sector.

RESOLVED that the Terms of Reference set out be noted.

4. Objectives of Kent Utilities Engagement Sub-Committee (Item 7)

1. Members commented on the report outlining the objectives of the sub-committee, requesting minor amendments - , para 1.4, line 2 being to be amended to state '...where companies have constructive relationships,'
2. Mr Balfour commented that the issues surrounding utility provision, development work and regulatory involvement were wide ranging and featured a broad spectrum of differing opinions and experiences. Most conflicts or difficulties appeared to arise due to breakdowns in communication.
3. Members were given assurances from Mr Balfour and the Chairman that the sub-committee would not solely focus on utility provision impact on development as it was felt that there were wide issues requiring consideration.

RESOLVED that, subject to the requested amendments, the Objectives of the Kent Utilities Engagement Sub-Committee be noted.

5. Background Information (Item 8)

1. Ms Stewart explained that work in relation to improving links between developers and utility providers had been going on for some time. Identification of some the challenges to growth relating to connection issues for new development projects had been part of the instigation of the Growth Infrastructure Framework which currently sought to encourage closer engagement between the relevant stakeholders.
2. Mr Turner provided an overview of the positive work already undertaken with the water sector over recent years. He advised the committee that the three relevant companies were Southern Water, South East Water and Affinity Water. Some years ago, KCC worked with three of the main regulatory bodies to consider alternative and improved methods of monitoring water company performance. This led to the introduction of voluntary performance monitoring on a wider scale, which showed that Southern Water and Affinity Water were in the lowest performing group.
3. The identification of these issues led to an improvement in performance and assisted in securing support for ongoing liaison meetings with KCC. Additionally, other stakeholder group have since been involved in engagement work with the water companies with support of the regulators.

4. Members questioned how the sub-committee should consider any monitoring information, given that the regulators should already have relevant sanction authority to address any significant failures. Ms Stewart explained that the regulators were able to manage general performance through appropriate sanctions but stated that the sub-committee could play a role in examining some of the issues underlying any performance concerns or how they may impact on growth. In some cases, it had been suggested that there was a lack of flexibility in the regulatory framework which prevented utility providers from responding swiftly to changing demands or new developments. In response to a linked Member question, Ms Stewart explained that while lack of flexibility may be an issue, the legislation and guidance for the utility sector was kept up to date through reviews of statutory guidance.
5. Mr Turner also suggested that the sub-committee could support the engagement work through Member knowledge of the customer experience, acting as consumer champions. Although he commented that regulatory focus on protecting existing customers from excessive bills had a consequent limiting impact on the sector's capability to respond to change, specifically that regulators will not allow investment in developments until they have been legally finalised and confirmed, causing a delay in any necessary utility connections. This has created a situation where the utility company is able to support stable or established growth after the fact but not be involved in planned growth.

RESOLVED that the background information be noted.

6. Proposals for the Kent Utilities Engagement Sub-Committee *(Item 9)*

1. The Chairman advised the sub-committee that a work programme would be developed over the summer, taking into account current utility and development activity and the views expressed by the Members regarding priorities and consideration of wider issues.
2. Members commented on the wording of the proposed scope of the sub-committee, requesting the following amendments:
 - Expanding consideration of barriers to growth beyond the utility sector by referencing 'other bodies'.
 - Broaden scope to include current and future growth.
 - Include consideration of maintenance of existing infrastructure.
 - Include consideration of how to address historic utility network issues.

RESOLVED that subject to the amendments being made, the proposed scope be noted.

The Chairman advised the sub-committee that Mr Sass would soon be leaving KCC to take up other employment in London. The Chairman and the sub-committee formally thanked Mr Sass for his hard work and excellent contribution to Democratic Services.

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