

By: Joel Cook – Scrutiny Research Officer
To: Kent Utilities Engagement Sub-Committee – 1 November 2018
Subject: Sub-Committee background, context and objectives
Status: Unrestricted

Summary: The Sub-committee is asked to **note** the background and contextual information provided to support its future work planning and engagement activities.

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 its scope, confirming that it would focus on the water utility sector.
- 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 A key benefit of the Sub-Committee's activities under its previous scope was 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.

2. Planned work

- 2.1 The 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. The proposed focus on the energy sector would support this important strategic aim for the Council and also support improved engagement between all relevant partners.

Current and Future Energy Systems (Background provided to Scrutiny Committee – July 2018)

- 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 (Proposed at and endorsed by the Scrutiny Committee in July 2018)

- 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

4. Stakeholders to involve

4.1 The Sub-Committee may consider engaging with the following stakeholders, as identified and reviewed by the Scrutiny Committee in July 2018:

- 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.

4.2 The Sub-Committee is proposed to hold three formal meetings across the year, supported by informal engagement and training activities. The work programme, managed by the EPE department of KCC will support broad consideration of the key issues subject the Scope to be agreed by the Sub-Committee.

6. Recommendation

6.1 That the Sub-Committee note the background and contextual information.

6.2 The Sub-Committee consider how best to meet the objectives agreed by the Scrutiny Committee within the framework of the Terms of Reference.

7. Background Papers

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

8. Contact details

Report Author:

Anna Taylor / Joel Cook
03000 416478 / 416892
scrutiny.committee@kent.gov.uk

Relevant Director:

Benjamin Watts
03000 416814
ben.watts@kent.gov.uk