

## KENT COUNTY COUNCIL

---

### **GROWTH, ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE**

MINUTES of a meeting of the Growth, Economic Development and Communities Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 21 November 2017.

PRESENT: Mr M Whiting (Chairman), Mr S Holden (Vice-Chairman), Mrs R Binks, Mr A Booth, Mr A H T Bowles, Mr A Cook, Mr I S Chittenden, Ms K Constantine (Substitute for Mr D Farrell), Mr A J Hook, Mr J A Kite, MBE, Mr G Lymer, Mr P J Messenger, Mr H Rayner, Mr A M Ridgers and Mr J Wright

ALSO PRESENT: Mr M C Dance and Mr P M Hill, OBE

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr R Fitzgerald (Business Intelligence Manager – Performance), Mr T Marchant (Head of Strategic Planning and Policy), Mr D Smith (Director of Economic Development), Mrs S Nurden (Kent & Medway Economic Partnership's Strategic Programme Manager), Ms J Ward (Strategic Programme Manager – Business Investment) and Miss G Little (Democratic Services Officer).

#### **UNRESTRICTED ITEMS**

##### **26. Apologies and Substitutes**

*(Item 2)*

Apologies for absence were received from Mr A Booth, Mr D Butler and Mr D Farrell.

##### **27. Declarations of Interest by Members in items on the Agenda**

*(Item 3)*

No declarations of interest were received.

##### **28. Minutes of the meeting held on 6 September 2017**

*(Item 4)*

Resolved that the minutes of the meeting held on 6 September 2017 are a correct record and that they be signed by the Chairman.

##### **29. Verbal updates by Cabinet Members and Corporate Director**

*(Item 5)*

1. Mr Hill (Cabinet Member for Community and Regulatory Services) announced that the Open Golf Championship would be returning to Sandwich in 2020. The report for this was brought to the Growth, Economic Development and Communities Cabinet Committee in March 2017 and work had begun on the infrastructure to allow for this. South East Local Enterprise Partnership (SELEP) agreed to make a contribution of just over £1m with the County Councils contribution of £250,000; the budget for this would be approved in

February 2018. Mr Hill said that the economic impact of the project was significant for Kent, in 2011 the Open Golf Championship created £24m of direct economic benefits and £53m indirect economic benefits.

2. Mr Hill spoke about the John Downtown Award for Young Artists which was an annual exhibition launched in 2000 that commemorates the life and work of the artist, John Downtown. An award ceremony was hosted by Kent County Council on 9 November 2017 with a record number of entries. There were 13 new schools that took part, totalling 33 schools and 356 entries. The exhibition of work was displayed in the County Hall and all judges were extremely complimentary.
3. Mr Dance (Cabinet Member for Economic Development) advised Members that the Kent Property Market Review was launched on 2 November 2017 at the Mercure Hotel in Hollingbourne. There were 250 companies present at the launch, providing Kent County Council with the opportunity to look at where it stands in terms of the commercial and residential property throughout the county. Mr Dance said that it was important to have a baseline that comes through Locate in Kent and presented Members with a short video on how the Council would continue to entice inward investment to the county. The video was accessible on the Locate in Kent website.

Link to Locate in Kent: <https://www.locateinkent.com/>

- a) A Member made the suggestion to place captions in the video to say where each clip was filmed in Kent.

4. RESOLVED that the verbal updates be noted, with thanks.

### **30. Presentations**

*(Item 6)*

#### **Riveroak Strategic Partners**

*(Item 6.1)*

*Tony Freudmann (Director of River Strategic Partners), Niall Lawlor (Director of River Strategic Partners), Angela Schembri (Senior Town and Country Planning Consultant) and Doctor Sally Dixon (Research Consultant) were in attendance for this item.*

1. The Chairman welcomed Riveroak Strategic Partners (RSP) who presented on their proposals for the future of the Manston airport site. The Chairman reminded Members there was no decision being taken and the presentation were for information purposes only. He said that Kent County Council would, in due course, be invited by Thanet District Council to formally comment on the Thanet Local Plan 2017-31.
2. Tony Freudmann said that the Locate in Kent video presented by Mr Dance applied to Manston airport and its future prospects. Tony Freudmann said that in its current state, Manston airport could be “categorised as a long runway with a few pieces of concrete here and there,” most of which were not to regulation standards as previous owners had decided not to invest in the

airport's onsite infrastructure. Slide one of the presentation showed Manston airport at its most developed stage, this included; 20 parking stands for cargo, an expanded facility for passenger aircraft and premises on the northern grass for aviation related business, all of which were employment generative. In its current state, Manston airport was not equipped to cope with additional business demand.

3. Sally Dixon guided Members through the background and economic data that underpinned why Kent and Thanet would prosper from Manston airport.
  - a) In 2017, Thanet was listed as the poorest Local Authority in Kent, ranked 28<sup>th</sup> out of 326 districts within Kent and England. Cliftonville West was the 4<sup>th</sup> most deprived area out of 32,844 areas in England and Margate Central was ranked as the 21<sup>st</sup> most deprived area.
  - b) In regards to child poverty, Thanet had the second highest percent of children living in poverty in the South East Region. Newington ward in Ramsgate had 46.8% which was nearly half of all children within that area, living in poverty.
  - c) Unemployment levels were higher than any other East Kent district, higher than Kent as a whole and the highest within the South East region overall. Thanet's rate of unemployment was 3.4% compared to the 1.7% for Kent and the 1.9% for Great Britain. When compared to an area such as Sevenoaks, with the unemployment rate at 0.7%, Thanet was considerably higher.
  - d) For Young Persons aged 18 to 24, the unemployment rate within the whole of the South East was 5.6%. Thanet had less than half the population, aged 16 and over in employment, whereas the South East figure was 61.1% and 57.6% for Great Britain.
4. Sally Dixon spoke about the prospect of job creation based on the forecast for aircraft movement at Manston airport under RPS's plans and estimated that by 2020 there would be 30,326 jobs. Sally Dixon provided a definition of each category and explained to Members that the figures shown did not include construction jobs as these would not be permanent and would only offer 600-700 jobs for a two year period.
5. Sally Dixon said that a partnership with local education and training providers would be essential to ensure that local people were equipped with the correct skills in order to help them attain the jobs created. RSP were keen to promote engineering and science based subjects and should the Development Consent Order (DCO) application be successful, RSP would continue to work with East Kent College, Canterbury Christ Church and other education and training providers within the county.
6. Sally Dixon said that the demand for airfreight in the South East Region required additional airport capacity. The government, airport commissioners and various other commentators advised RSP that all London airports would be at full capacity in the coming years, with the possibility of Brexit placing greater pressure on the UK to boost trade outside of the European Union

(EU). In 2015, the UK missed out on £9.5b due to lack of airport capacity. Such losses accumulated to £1.1m every hour and the South East was estimated to have lost £2b in potential trade annually because of airport capacity.

7. A considerable amount of freight was being trucked to Northern European as freight was unable to land on a runway due to:
  - a) passenger aircraft taking priority,
  - b) the aircraft route not being available on scheduled flights; or
  - c) the cargo size, meaning that it could not be security cleared in the UK
8. Angela Schembri advised Members that her role was primarily to look at the spatial fit of the plans in terms of the Planning Policy. The series of slides demonstrated how the proposal from RSP would fit within the Planning Policy Framework.
  - a) The National Planning Policy Framework set out the key elements required to drive and support sustainable economic developments in order to deliver the infrastructure that the country needed. The Planning Policy required Local Authorities to provide strategies for the provision of infrastructure to support strategies for the growth of airports.
  - b) The Government Aviation Policy Framework recognised that the aviation sector was one of the major contributors to the economy and placed significant emphasis on the UK being one of the best connected countries in the world. In terms of short term priority, it meant working with the aviation industry and stakeholders to make better use of existing runways at all UK airports.
  - c) Angela Schembri read out two statements that set out Kent County Council's position on the aviation challenge and Manston airport, highlighting that the County Council would keep an open mind and make decisions based on the viability of the plans and the ability to deliver economic growth and job opportunity.
9. Angela Schembri spoke about the key points from the appeals decision and said that it reinforced the importance of safeguarding airports and making best use of runway capacity. Granting permission for non-aviation uses would undermine the current policy protection afforded to the airport land.
10. Angela Schembri said there were a number of concerns relating to the new Thanet Local Plan 2017-2031 and this included: inadequate evidence; it failed to complete a mandatory test; it failed to take into account the national planning and Government aviation policy on airports; it did not recognise the conclusion of the Inspector's decision; concern about the emerging Housing Strategy; it did not identify how the emerging Local achieved the objectives of TDC's Corporate Plan and Economic Growth Strategy; and the plan for Manston airport was not what the local community wanted.

11. Angela Schembri said that Riveroak Strategic Partners proposal for Manston airport would have a catalytic effect of regenerating the local area and could become one of the largest single generators of economic activity in the county.
12. Tony Freudmann said it was more viable to use the space as an airport. In terms of trucking numbers RSP estimated that by 2039 traffic would increase. Once the conditions and requirements attached to the DCO were agreed, the Inspector would have the power to instruct that road improvement work be done.
13. Tony Freudmann said that the parkway station would have to be financially viable and that the volume of passenger footfall would not rationalise the need for it.
14. Tony Freudmann said that Gentex was shown within the documentation for the DCO as a fuel farm with its own separate, discrete access. The East Midlands did not have the potential to absorb all the additional growth that the UK needed in terms of daytime airfreight movement.

### **Stone Hill Park** (Item 6.2)

*Paul Barber (Stone Hill Park Limited), Louise Congdon (Managing Partner, York Aviation) and Nick Alston (GVA Planning Consultant) were in attendance for this item.*

1. Paul Barber introduced the Stone Hill Park (SHP) presentation and advised Members that there was a new and enhanced proposal, developed over the past 18 months following a significant amount of time in consultation with the local people, the local authority as well as potential occupants and investors to ensure the scheme was viable. The newly enhanced proposal was developed to ensure future prosperity and lasting economic regeneration for Thanet and East Kent
2. Nick Alston spoke about the context of the proposals; he said that there was a draft submission version of the Local Plan that was going through a number of Cabinet and Committee approvals. The Local Plan proposed that the site be used for a minimum of 2,500 new homes and use the 85,000 square metres for employment and leisure purposes. The final decision that was to be made locally to submit the Local Plan, was going to take place in January 2018 and the submission to Secretary of State for the independent examination would be in March 2018. There would then be a further examination in the summer of 2018 and potential adoption of the scheme by the end of 2018. This would establish the policy position to support Stone Hill Parks proposal.
3. Nick Alston said that there was a number of concerns regarding the Development Consent Order (DCO) application and referred to the following points: that RSPs project did not demonstrate that it was a Nationally Significant Infrastructure Project (NSIP); RSP had not assessed the Air Traffic Movement; RSP were circumventing the 2017 Environmental Impact

Assessment (EIA) Regulations; RSP's consultation was inadequate due to the flawed evidence ; and concern with RSPs compliance with the Compulsory Purchase Order (CPO) legislation and the guidance requirements.

4. Nick Alston said that the third planning work stream was the current application that sought hybrid consent. This was to remain as the live application but a new enhanced proposal would replace the existing one in the early period of 2018.
5. Louise Congdon said that an airfreight hub at Manston would not be a realistic prospect. She said that shippers preferred belly hold over pure freighters because of cost. Government figures showed a considerable decline in pure freighter movements since 2001 and forecasts showed no further growth in freighter aircraft movements across the UK to 2050.
6. SHP looked at previous work for Transport for London and for Freight Transport Association. SHPs forecast was that Manston might re-capture its previous niche perishables and specialist cargo business and could reach 2,000 such movements by 2040 but however regular night flights would be required.
7. Nick Alston said that all evidence within the enhanced master plan firmly indicated that reopening the airport would not be a deliverable proposition. It was entirely appropriate from a planning perspective to repurpose the site where there was development need. The enhanced plan would provide up to 4,000 new homes; job and training opportunities with an advanced/hi-tech manufacturing park that would support 15,00 to 2,000 jobs; an aviation heritage attraction; an East Kent Sports Village with a 50 metre swimming pool, hotel and outdoor sports pitches for visitors and residents; and provide a new country park.
8. Louise Congdon said that freight activity would be dependent on demand and would need to operate during the night period.
9. Nick Alston said that the scheme was fully aligned with the Kent Highways Strategy and extensive work had been carried out with Kent County Council officers to ensure a detailed report. Nick Alston confirmed that it had been tested against the Kent Strategic Transport Model and that ecological surveys, archaeological investigations and noise/air quality modelling had been carried out.
10. Paul Barber said that the Enhanced Plan was reflective of the housing needs in Thanet and SHP was making a contribution in helping Thanet to achieve the Local Plan.
11. Paul Barber said that the team were proud of the Discovery Park accomplishment as they were able to generate a further 2000 jobs on-top of the original proposal. Stone Hill Park would aim to attract every single company and have worked closely with Locate in Kent.

### **31. Performance Dashboard** *(Item 7)*

*Richard Fitzgerald (Business Intelligence Manager – Performance) was in attendance for this item.*

1. Mr Fitzgerald (*Business Intelligence Manager – Performance*) introduced the report which showed progress made against targets set for Key Performance Indicators and referred, in particular, to the guidance notes and the Key Performance Indicator Summary at page 16 of the agenda pack.
2. Mr Dance (Cabinet Member for Economic Development) said that Kent County Council were able to secure the Locate in Kent bid for the next three years, this was purely a fortuitous matter of timing that helped KCC to finance Locate in Kent.
3. RESOLVED that the report be noted.

### **32. Housing Infrastructure Fund** (Item 8)

*Tom Marchant (Head of Strategic Planning and Policy) was in attendance for this item.*

1. Tom Marchant (Head of Strategic Planning and Policy) introduced the report which provided an update on the £2.3 billion Housing Infrastructure Fund (HIF) that was launched by the Department for Communities and the Local Government in July 2017. This was related to the delivery of up to 100,000 new homes across the country. The report set out the amount and type of funding available and the roles of Kent County Council and the district, and borough councils in the bidding process. The report summarised the Forward Fund submissions made by the County Council and their prioritisation and also provided an overview of the Marginal Viability Funding bids submitted in Kent, setting out the prospective timescale for funding awards.
2. The Chairman and Members of the Cabinet Committee commended the work carried out by officers and the joint working performed with the districts and boroughs to ensure that bids were submitted promptly.
3. Barbara Cooper (Corporate Director for Growth, Environment & Transport) said that there would be a report going to the Environment and Transport Cabinet Committee on 30 November 2017 for the Leeds and Langley Relief Road. Kent County Council aimed to work closely with Maidstone in regards to the future housing numbers and what the traffic mitigation would be for this. Kent County Council had worked well with Maidstone in the past to bid for various sources of funding and wished to continue in building that relationship.
4. Mrs Cooper said that the proposal for the Leeds and Langley Relief road was in a very premature state and until all the necessary work had been carried out, Kent County Council would not be in a position to bid for government money.

5. Mrs Cooper said that the majority of respondents to the Highways England consultation on the proposed M2 Junction 5 improvements unanimously agreed with Kent County Council's views.
6. RESOLVED that the two Forward Funding applications submitted by the County Council, be noted.

**33. Inward Investment Services - Contract Extension (SS1560)**  
(Item 9)

*David Smith (Director of Economic Development) was in attendance for this item.*

1. David Smith (Director of Economic Development) introduced the Inward Investment Services, Contract Extension report which set out the proposal to extend the current Locate in Kent contract for a further twelve months following the resignation of its Chief Executive. The report identified the significant contribution made by Locate in Kent to the economic development of Kent and Medway and asked that the Cabinet Committee endorsed the proposed decision to extend the inward investment services contract to August 2020.
2. RESOLVED that the Cabinet Committee endorse the proposed decision to extend the inward investment services contract with Locate in Kent for a further twelve months to August 2020.

**34. An Enterprise and Productivity Strategy for Kent**  
(Item 10)

*David Smith (Director of Economic Development) was in attendance for this item.*

1. David Smith (Director of Economic Development) introduced the report that set out a plan of work to develop an Enterprise and Productivity Strategy for Kent and Medway so that partners could work together across the County to improve the standard of living for those within Kent and Medway. This work would be carried out over a twelve month period, ending in December 2018.
2. Mr Dance (Cabinet Member for Economic Development) advised Members that Mr Holden (Deputy Cabinet Member for Economic Development) would engage with a number of stakeholders to review the outcomes sought and the best ways to achieve them.
3. RESOLVED that the Cabinet Committee note the proposal to develop an Enterprise and Productivity strategy for Kent.

**35. 17/00119 - Javelin Way Development**  
(Item 11)

*David Smith (Director of Economic Development) was present for this item.*

1. Mike Hill (Cabinet Member for Community and Regulatory Services) introduced the Javelin Way Development Report and discussed Kent County Councils' proposal to enter into a legal agreement with the Jasmin Vardimon Company. Mr



Hill said that it provided Kent County Council with an opportunity to establish a high quality cultural offer within Ashford.

2. David Smith (Director of Economic Development) said that Kent County Council expected to match the Arts Council of England (ACE) grant from the development of unused land owned by the Council.
3. In response to questions the officer provided further information.
4. Mr Hill said that there would be no additional financial support required.
5. Mr Hill said that the investment in Margate had resulted in a high quality international cultural offer to the area and anticipated that the Javelin Way Development would have a similar effect.
6. Mr Smith said that the Council could not advise on whether it had additional unused land however the Javelin Way Development investment would set a precedent for the Council to develop land for commercial purposes in the future. In regards to the Jasmin Vardimon Company, David Smith advised that it was not a production facility and the space would be available to residents and students and would offer a range of classes.
7. RESOLVED that the decision proposed to be taken by the Cabinet Member for Community and Regulatory Services, to:

### **36. 17/00110 - Reinvestment of Growing Places Fund**

*(Item 12)*

Sarah Nurden (Kent & Medway Economic Partnership's Strategic Programme Manager) was in attendance for this item.

1. Sarah Nurden (Kent & Medway Economic Partnership's Strategic Programme Manager) introduced the Reinvestment of Growing Places Fund (GPF) report and said that the South East Local Enterprise Partnership (SELEP) had £9.3m of recycled capital loan funding available for reinvestment. The Kent and Medway Economic Partnership (KMEP) had invited expressions of interest, of which Kent County Council submitted two, one being the Javelin Way Development Scheme and the other was the No-use Empty Scheme.

The No-use Empty Scheme had been running for the past ten years, returning long-term empty residential properties back into use, however the new project proposal aimed to expand the scheme to combine both the commercial and residential elements. The Javelin Way Development scheme would see the establishment of 29 light industrial units and the construction of a 'Creative Laboratory' production space, to be leased from Kent County Council by the Jasmin Vardimon Company. Mrs Nurden advised Members that SELEP had agreed to the recommendation that all 4 KMEP schemes would receive GPF funding. In order to draw down the capital loan funding from SELEP, Kent County Council would have to enter into a loan agreement with SELEP (via Essex County Council which is SELEP's accountable body) for each of its scheme awarded GPF.

2. In response to questions the officer provided further information.
3. Mrs Nurden confirmed that the financial information shown in the report was the amount of capital loan required from SELEP rather than the total project cost. There was a match funding requirement of a minimum of 30% for all schemes.
4. Mrs Nurden confirmed that the report displayed the number of permanent jobs created, rather than fixed-term jobs created during the construction period. These jobs were 'on-going'. For example, in regards to the Javelin Way Development scheme, 151 jobs out of the 175 jobs were for the new employees that would work within the Light Industrial Commercial Units and the remainder of jobs would be within the Jasmin Vardimon Company.
5. Mrs Nurden confirmed that a Government calculation was carried out using the Green Book and Employment Densities guidance. Each scheme had undergone technical assessments to ensure all job figures were achievable and sensible.
  - a) A Member asked about the Fitted Rigging House and the expected 300 new jobs and whether this was a result of supporting jobs that already existed.
  - b) The Chairman advised Members that it was an investment to enable the wider jobs, helping to build the growth and long term plans from there.
  - c) Mrs Nurden clarified that the Fitted Rigging House was a Medway Scheme however there was a building within the Chatham Historic Dockyard that was being underutilised. The Reinvestment money would allow more floor space to be used, enabling the companies based at that site to expand their employee numbers; these employees would then be accommodated in the newly converted office space.
6. RESOLVED that the decision proposed to be taken by the Cabinet Member for Economic Development, to:
  - a) note the Growing Places Fund (GPF) bid submissions to the South East Local Enterprise Partnership made by the Kent & Medway Economic Partnership,
  - b) act as the accountable body for projects within Kent County Council's geographical boundaries that are selected by SELEP to receive GPF funding; and
  - c) delegate to the Section 151 Officer the authority to sign on KCC's behalf a loan agreement or equivalent, where this is required to draw down funds following business case approval,

be endorsed.

### **37. RGF Programmes Monitoring Report** (Item 13)

*Jacqui Ward (Strategic Programme Manager – Business Investment) was in attendance for this item.*

1. Jacqui Ward (Strategic Programme Manager – Business Investment) introduced the report that summarised the results of Kent County Councils monitoring returns of the three Regional Growth Funded (RGF) programmes; Escalate, Expansion and Tiger.
2. A Member commented on the benefits of the scheme, several companies from the Swale district had received Tiger funding and all had done exceptionally well in creating jobs.
3. Ms Ward said that the red status signified three different areas; this included the non-returning of the monitoring form, the company was behind on its payment and therefore a contract variation might have been offered or the job creation was slower than anticipated. She assured Members that the officers were in constant contact with the companies and would offer flexibility or independent business advice.
4. In regards to risk levels, Ms Ward said that the process required an independent appraisal to be carried out by a local accountants firm. With the combination of the robust application process, the appraisal and the advisory board (both public and private) Kent County Council was able to maintain the correct risk rating. Independent appraisals would use a number of sources; historical information about a company, its turnover, the individual Directors and then rate the risk of that company as low, medium or high. That risk banding would then help the team to identify where the security measures needed to be put in around that investment loan.
5. The officers were commended for their extraordinary endeavour, having worked closely with businesses through difficult phases and motivating them to create jobs for Kent.
6. In response to Members questions Mr Whiting said that he would consider reinstating the visits to the companies that Mr Dance had led in the past.
7. RESOLVED that the Regional Growth Funded programmes Monitoring Report be noted.

### **38. Financial Monitoring 2017-18** *(Item 14)*

*Barbara Cooper (Corporate Director of Growth, Environment and Transport) was in attendance for this item.*

1. Barbara Cooper (Corporate Director of Growth, Environment and Transport) introduced the report that provided an update on the Financial Monitoring for 2017-2018 and referred to the report taken to Cabinet Committee on 30 October 2017 which set out each directorate's budget for the year. The forecast for the Growth, Environment and Transport (GET) directorate was £163 million net and £134 million went to Highways, Transport and Waste.

The report showed that the overall budget was £500,000 over spent however the budget would balance by the end of March 2018. The Environment and Transport Cabinet Committee was due to discuss the Financial Monitoring Report on 30 November 2017 and in January Members would be offered the chance to look at the budget going forward.

2. RESOLVED that the revenue and capital forecast variances for 2017-18 within the August monitoring report be noted.

### **39. Work Programme 2018**

*(Item 15)*

1. The Chairman said he would consider revisiting the companies that had received RGF funding.
2. RESOLVED that the work programme for 2018 be noted.