

## **REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE**

MINUTES of a meeting of the Regeneration and Economic Development Policy Overview and Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 23 September 2010.

PRESENT: Mr M C Dance (Chairman), Mr J R Bullock, MBE, Mr A R Chell, Mr K A Ferrin, MBE, Mr P J Homewood, Mrs J P Law, Mr K H Pugh, Mrs J A Rook, Mr K Smith and Mrs E M Tweed

ALSO PRESENT: Mr J A Kite and Mr M A Wickham

IN ATTENDANCE: Mr D Cockburn (Executive Director, Strategy, Economic Development & ICT), Ms B Cooper (Director of Economic Development) and Miss T Grayell (Democratic Services Officer)

### **UNRESTRICTED ITEMS**

#### **34. Minutes of the meeting held on 8 July 2010**

*(Item A3)*

1. RESOLVED that the Minutes of the meeting held on 8 July 2010 are correctly recorded and that they be signed by the Chairman.
2. The Chairman advised members that an update on issues covered at district visits, including an update on all Local Development Frameworks across the county, would be part of the discussion at the November meeting.

#### **35. Regeneration and Economy - A District Perspective: Report back from Visits to Thanet on 26 July and Shepway on 1 September**

*(Item B1)*

*During the debate on this item, Mrs J A Rook declared an interest as her family company has retail premises in a number of towns across Kent.*

#### **Thanet – 26 July**

1. Members made the following comments on what they had seen and heard at the visit to Thanet:-
  - a) the visit had been positive, upbeat, very worthwhile, and was very well organised. Thanet were congratulated on what they were doing;
  - b) Thanet was intriguing and challenging, in terms of regeneration, and its reputation as an area of deprivation had served it well;
  - c) this was the last chance for the District and County Councils to work together to achieve outcomes;

- d) it was hoped that the Turner Centre would deliver all that was planned, and draw tourists from Europe as well as from the UK;
- e) Manston Parkway is a key priority and would need a fast track rail link to London within the hour to ignite the whole of East Kent;
- f) it is important to recognise where mistakes had been made – eg Westwood Cross – and it would be useful to see how shopping areas will be addressed once economic confidence is regained;
- g) Members debated the relative merits and problems of free and charged parking:
  - i) Kent's towns do not have enough and it is never free. If shoppers cannot park for free in one shopping area, they will go to another. Provision of free parking is big issue when addressing the regeneration of town centres, and should be a community commitment;
  - ii) it is unrealistic to expect to provide free parking, and parking revenue would contribute valuable income to a town centre. Charges could be relatively small yet cover the maintenance costs of providing it;
- h) Thanet had received much regeneration funding over the years, yet still it is an area of multi-deprivation; and
- i) in some town centres in Kent, shoppers could park outside shops for free, while other towns had pedestrianised high streets. This might explain why some High Streets were doing well and keeping their independent traders and others were not.

2. The Deputy Cabinet Member, Mr J A Kite, was asked what he would be doing to help Thanet in the short term. Mr Kite replied that there were two threads - strategic and specific. A key strategic challenge would be to get the Local Enterprise Partnership right. Specifics would include issues like supporting the towns and communities behind the seafronts rather than being beguiled by the seafronts themselves, and to treat all areas equally.

3. In discussion, Members started to identify key themes for their future discussion of priorities:

- Manston parkway and the need for a good rail link to Thanet
- parking – free or charged
- pedestrianised or non-pedestrianised town centres

### **Shepway – 1 September**

4. Members made the following comments on what they had seen and heard at the visit to Shepway:-

- a) the visit had been interesting but Members had been surprised at what they had been shown, spending much time at the racecourse but very little at seafronts or town centres;
- b) the presence of the De Haan Trust locally was a big asset to Shepway, and they were making the most of it, but combining a major benefactor with other work can be a challenge;
- c) Shepway is behind on developing its Local Development Framework, but the LDF would help resolve issues like b) above;
- d) much money has been spent on the creative quarter in Folkestone, but Members were unimpressed by the result and worried that it was not reaching its potential;
- e) the racecourse was in the early stages of development but offered a way ahead, and had more potential than the creative quarter;
- f) regeneration in the region had been bitty, and cohesion was not evident;
- g) Members discussed at some length the relative merits of Lydd and Manston airports, highlighting the following points:-
  - i) Lydd has the benefit of private investment, while Manston would need KCC support;
  - ii) Lydd has a good rail link yet is dwarfed in importance by Manston;
  - iii) we shouldn't be encouraging increased air travel so should not develop or promote *either* airport!
  - iv) each has a different role – Manston offers a link to Essex, which fits with the LEP bid, while Lydd is just a local hub;
  - v) Lydd is close to HS1 but has a dangerous road link which would need upgrading;
  - vi) having an airport close to a nuclear power station could bring a potential terrorist problem;
  - vii) both are too far from London to serve it;
  - viii) neither has a local population to support its facilities;
  - ix) Manston had its heyday in the 1960s, with trips to the continent. It now needed to find a new role; and
  - x) each could serve a different market, so would not be in competition.

5. The Chairman commented that the POSC was a useful forum for identifying cross-directory themes, such as work by the De Haan trust on community projects.

### **36. Development Contributions and Infrastructure**

*(Item B2)*

*Mr N Smith, Head of Development and Investment, was in attendance for this item, with Mr C Metherell, Kent Sports Facilities Development Manager.*

1. Mr Smith introduced the report and highlighted the need to balance housing provision with funding for essential infrastructure, and pointed out that S106 agreements were only part of the solution. Mr Metherell added that communities issues were sometimes not taken into account, that S106 arrangements did not always deliver what was wanted and that he found it was a constant struggle.

2. In discussion and in response to Members' questions, the following points were highlighted:-

- a) there should be one viability test/model applied all across Kent, and contributions collected into one pot for distribution;
- b) funding would be needed before a build commenced, so that local community could feel they owned the funding and could consider how to spend it;
- c) Kent needed to look at a broader range of funding mechanisms, not just S106, and this range could include Multi Utility Services Companies (MUSCOs);
- d) there was traditional conflict between the District and County Councils over how to share funding – but it didn't matter who spend it, it was how it was spent that was important;
- e) S106 agreements need to be tightly defined to work well, and KCC needed to be rigorous in setting terms;
- f) developers know that S106 payments are expected, so build the cost of providing them into their costings for a development; and
- g) the current system was based on capital, which was not what the KCC ideally wanted. KCC's lobbying will include the need for flexibility over how money is managed.

3. The Deputy Cabinet Member, Mr J A Kite, commented that residents, not KCC, should be at the top of the democratic decision making process, as communities spend available funding much more effectively than the KCC did. He agreed with the suggestion that a 'one pot' model was the best way forward.

4. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

### **37. Local Enterprise Partnership**

*(Item B3)*

1. Ms Cooper introduced the report and highlighted the process for bidding for and determining the various LEP proposals which were emerging. A formal announcement was expected in early October, and whichever of Kent's LEP bids was successful would be used as the basis for bidding to the Regeneration Growth Fund.

2. In discussion, and in response to Members' questions, the following points were highlighted:-

- a) Members expressed differing views on the merits of the Kent and Essex LEP bid:
  - i) a Kent and Essex LEP would be the best outcome for Kent, but it would need to include Medway, Thurrock and Southend authorities. Kent and Essex are very similar authorities, and Southend would make a better regional airport than Manston or Lydd;
  - ii) the Kent and Essex proposal would bring conflicts, and its acceptance was doubted. A West Kent LEP would be better, and a Kent and Medway LEP would have had good support;
- b) government guidance had arrived late and been unclear, with the criteria for bids changing between successive versions;
- c) KCC was working closely with VisitKent, who had signed up to several different bids, including those listed above. Tourism was a vital driver for economic development; and
- d) it was not ideal that the government was left to decide where commonality lay between areas, and the governance mechanism of the resultant LEP was unknown/unclear.

3. The Deputy Cabinet Member, Mr J A Kite, added that Kent had adopted a coherent approach to the bidding process. Kent and Essex was of a sufficient size to work as an LEP, following the government guidance, although it would have helped if the government guidance had been available earlier. KCC and District Councils would have to work together to make best use of available funding.

4. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

### **38. Financial Monitoring 2010/2011**

*(Item B4)*

*Mr D Shipton, Finance Strategy Manager, was in attendance for this item.*

1. Mr Shipton introduced the report and explained that the latest exceptions report would go to the next meeting of Cabinet and thence to the November POSC

meeting. The Local Authority Business Growth Incentive Scheme (LABGI) grant had been removed this year, but this had already been planned for and the impact accommodated.

2. In response to a question, Mr Shipton explained that, if cuts were required, he expected them to be gross rather than net. The difference between the two was mainly made up of ring-fenced grants, and, if grants were cut, the ring-fencing would end, giving greater flexibility over how grants were spent.

3. Members commented that, although the Regeneration budget was small, it should not be overlooked. Its relatively small monetary value was outweighed by the influence that the KCC could exert.

4. The Chairman reminded Members that the POSC had decided at its July meeting that he and the Vice-Chairman would keep a watching brief and decide whether or not the POSC needed to convene an Informal Member Group (IMG).

5. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks, and that the Chairman and Vice-Chairman continue to keep a watching brief for any need for an IMG to look at the POSC's budget.

### **39. Update on Major Projects**

*(Item B5)*

1. Ms Cooper introduced the report and reminded Members that the projects listed were those which were the most active at the time of reporting. She undertook to update Members on other projects at the November meeting.

2. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

### **40. Draft Towards 2010 Annual Report**

*(Item B6)*

*Mrs S Garton, County Performance and Evaluation Manager, was in attendance for this item.*

1. Mrs Garton introduced the final closedown report and explained that, where the status of 'completed' was given, this did not mean the work was over, but that the activity was now embedded in mainstream work.

2. In discussion, and in response to questions from Members, the following points were highlighted:-

- a) Members commented that 'Towards 2010' had been a very successful programme, and they congratulated the officer team; and
- b) not everything in the strategy had been delivered, but it was not expected that everything would be.

3. RESOLVED that the information set out in the report and in response to Members' questions be noted, with thanks.

#### **41. Bold Steps for Kent**

*(Item B7)*

*Mr D Whittle, Policy Manager – Corporate Policy Unit, was in attendance for this item.*

1. Mr Whittle introduced the report and explained that the draft Bold Steps for Kent report was being considered by all POSCs so Members could comment on the priorities in it and help shape the final document. He emphasised that economic development was a strong theme running through the draft Bold Steps for Kent document.

2. In discussion, Members made the following comments on the draft:-

- a) I cannot make a judgement as I don't know what the 'bold steps' are. There is no specific detail yet. Will the specifics be 'bold'?
- b) this seems to be about themes rather than people or KCC services;
- c) the government should take on the job of dealing with failing schools;
- d) I am concerned about use of the term 'the Big Society'; what does this mean? It's a nice idea but how would you achieve it?
- e) we need to make Kent a place that people want to live in; what 'bold steps' are needed to achieve this?
- f) we need to listen to local people and what they want for their town;
- g) Whitstable has been very successful, and had won 'High Street of the Year' with its thriving independent traders. We need more Whitstables;
- h) KCC's role is changing, and the role we get will not necessarily be our choice but will be dictated by the government. We can take stock and take an overview but must make sure that we get the right advice;
- i) we have an opportunity to create the Big Society how we want it; we could be radical and innovative;
- j) we need to be clear what we mean by economic growth, and need to define it;
- k) I would like to add to the five key themes listed in the report: *'improved Broadband'*, as this is an important infrastructure for attracting new businesses, and *'removing regulatory and organisational blockages to business growth'*, so businesses can grow and prosper; and

- l) local people should have control over how local budgets are spent, and local volunteers, professional bodies and entrepreneurs should shape this. This is what the Big Society means to me.

3. Mr Whittle explained the onward process and timetable for developing the Bold Steps for Kent document. The consultation draft would be issued on 11 October for a 4 week public consultation, and the final document would be considered by the County Council on 16 December.

4. RESOLVED that:-

- a) the information set out in the report and given in response to Members' questions be noted, with thanks; and
- b) Members' comments, set out above, be taken into account when preparing the final draft.

#### **42. Draft Annual Performance Report 2009/10** *(Item B8)*

*Mrs S Garton, County Performance and Evaluation Manager, and Mr R Fitzgerald, Performance Manager, were in attendance for this and the following item.*

1. Mrs Garton and Mr Fitzgerald introduced the report and explained that, although there was no longer any statutory requirement to publish a performance report, the KCC had continued to do so as good practice.

2. In discussion, and in response to Members' questions, the following points were highlighted:-

- a) Members expressed scepticism that all actions listed on pages 119 to 122 of the report had been completed as stated. Mrs Garton explained that the outcomes listed represented a summary only of the Towards 2010 Closedown Report and was not intended to include the full detail which was in that report. She reiterated that the status 'completed' meant that the issue had become part of mainstream work and was not the end of the work;
- b) Members commented that the report did not reflect the findings of the recent Ofsted report, which had been published since, on the KCC's Child Protection performance, so would have to be updated to include this. Mr Kite added the view that a report from a regulatory public body should be reflected in an authority's own performance reporting, and, to be useful, a performance report should be accurate and complete;
- c) the performance of the Kent Film Office was measured by the number of days' filming which had taken place in Kent in the year, and the amount spent each day. This figure was estimated but was reliable. It would be useful to be able to compare Kent's success in this field with that of another local authority which has a film unit, but such benchmarking was difficult; and

- d) compiling the annual performance report mostly made use of existing information, but the information used was checked and quality assured.

3. Members expressed concerns about the accuracy of some the report and commented that being too self-congratulatory was dangerous. They asked that Cabinet be made aware of their misgivings about the reporting of performance and that they did not think what was reported adequately reflected the true situation.

4. Mrs Garton thanked Members for their frank comments and asked individual Members to contact her directly outside the meeting to tell her their specific areas of concern about the Draft Annual Performance Report.

5. RESOLVED that:-

- a) the information set out in the report and in response to Members' questions be noted, with Members' concerns on the reporting, expressed above, being taken into account; and
- b) Cabinet be made aware of Members' concerns about the accuracy of the reporting in the Annual Performance Report.

#### **43. Core Monitoring Report**

*(Item B9)*

RESOLVED that the information set out in the report be noted.

#### **44. Update on Select Committee Work**

*(Item C1)*

RESOLVED that the information set out in the report be noted, with thanks.