

KENT COUNTY COUNCIL

Thanet Local Board

Tuesday, 15 March 2011

Minster Village hall, High Street, Minster, Ramsgate, Kent CT12 4BU

Present: Local Board Members: Bill Hayton (Chairman), Robert Burgess, Elizabeth Green, Charles Hibberd, Michael Jarvis, John Kirby, Chris Wells.

Apologies: Robert Bayford

KCC Officer: Anne Charman (Community Engagement Manager, Thanet)

1.	Welcome to the meeting – Mr Bill Hayton, Chairman
	<p>Mr Hayton welcomed everyone to the meeting and introduced Paul Carter, Leader of Kent County Council and John Simmonds, KCC Cabinet Member for Finance.</p> <p>All county councillors present introduced themselves.</p> <p>There were no declarations of interest.</p>
2.	Notes of Local Board meeting held on 25 January 2011 and progress on any actions agreed
	<p>The notes were agreed as a true record.</p>
3.	East Kent Access Road update – Toby Howe, KCC Highway Manager, East Kent
	<p>Toby Howe gave apologies for Geoff Cripps, Project Manager for the scheme who was unable to attend the meeting and mentioned there would be two public meetings held locally the following week; at 7.00pm on 22 March 2011 at Minster Neighbourhood Centre and at 7.00pm on 24 March 2011 at Cliffsend Village Hall, where the full East Kent Access Road team would be present to answer any specific questions.</p> <p>Toby then gave an overview of Phase 2. The total project cost is estimated at £87 million, the government providing £81.25m and KCC £5.75m and is contracted to Volker Fitzpatrick and Hochtief joint venture. Work started on 1 October 2009 with a completion date of 30 September 2012, with landscaping work continuing after this. Phase 2 is divided into two sections; Section 1 between Minster roundabout and Richborough roundabout and Section 2 between Sevenscore roundabout and the Lord of the Manor, which has the added complexity of a 126m underpass beneath a live railway.</p> <p>There is no contractual requirement to complete Section 1 before the start of the Open Golf and engineering difficulties are causing problems, but the contractors will ensure there is a free flow of traffic between Thanet and Sandwich for the Open Golf. Currently it is predicted that Section 1 will be opened at the latter end of Summer 2011 and Section 2 in early Spring 2012 (which is about six months ahead of schedule). The team has faced many challenges to overcome, e.g. archaeological, utility diversions, drainage difficulties, agreements with Network Rail, but to the team's credit it has remained ahead of schedule and on budget.</p>
4.	Kent County Council (KCC) Budget 2011/12 – John Simmonds, KCC Cabinet Member for Finance
	<p>Mr Simmonds began his presentation by describing the combination of factors that have required KCC to find £160m in savings over the next two years, with £95m of this required in 2011/12. The Coalition Government, in its Emergency Budget and Comprehensive Spending Review, pledged to remove the country's deficit of £149bn (80% from cuts, 20% from tax increases) and this has meant significant cuts to local authorities in 2011/12. In</p>

addition KCC has to address unavoidable service pressures, new priorities for the Authority and the need for a 0% Council Tax increase in 2011/12 for Kent residents.

KCC has a £2.4b budget (similar in size to the John Lewis Group) but £1.4bn of this is dedicated to schools, leaving around £1bn which is KCC's actual expenditure. To find £160m from £1bn is a huge saving to have to make, particularly against a background of KCC having already saved £30m to £40m per year over the past three or four years.

While these grant cuts were expected, what did take KCC by surprise was the 'front loading', meaning that greater cuts have been made to local government grants in 2011/12. The situation has been exacerbated by inflationary pressures with inflation now running at about 4.5% and has required more dramatic action than anticipated.

Fortunately KCC has managed to make these savings without affecting too greatly the front line services provided to local residents. In 2011/12 the £95m of savings (roughly 10% of the total expenditure) comprises

- £58m in grant losses,
- £26m in unavoidable pressures such as contractual price increases, increase in National Insurance, a rapidly increasing elderly population, an increase in the number of referrals for children's services and an increased uptake in the Freedom Pass
- £15m in new priorities, including £5m for a Big Society Fund and is
- offset by a £4m increase in council tax.

Put into context, £58m is more than KCC's current revenue spending on Highways, so these cuts are significant. The Big Society Fund in particular is an important new priority which is hoped will encourage local communities to think of innovative and efficient ways of providing services currently offered by KCC, thereby saving costs, bringing more business into Kent and getting people off benefits.

Savings will be achieved by:

- £38m in efficiency savings (staff reductions of 1500 over the next three years), no pay increase for staff, service contracts, asset management.
- £6m increase in charges, including a £2m increase to Social Services clients reflecting benefits coming on line, charging schools for services, increasing the cost of the Freedom Pass from £50 to £100
- £15m in reserves and one-offs
- £36m reducing services (not cuts)

KCC is constantly looking at innovative ways to make savings, without cutting services. Savings can be made through new service contracts and this is an excellent opportunity to refinance and reschedule debt with the prevailing low interest rates. It is also looking at how services can be delivered more efficiently, supporting the voluntary sector and ensuring that the elderly and vulnerable are still looked after. This is particularly important in Thanet which receives large numbers of placements of vulnerable people and Looked After Children in the area from the London Boroughs.

Other savings have been made through the removal of heavily subsidised bus routes and concessionary fares. Traffic control measures, for example Speed Cameras, are being reduced, but safety will not be compromised in areas where there is a high incidence of accidents.

What does this mean for schools? As promised by the government schools have not seen a reduction in funding, but there is no provision for the teacher's 2010/11 pay award. New

money has been allocated through the Pupil Premium, paid to schools according to the number of pupils who receive free schools meals. But the schools devolved capital allocations have been slashed by 80%, meaning that a typical secondary school has lost £82,000 which means they no longer will be able to carry out the smaller repairs to their buildings. In addition there have been major reductions to the schools capital programmes, particularly Building Schools for the Future (BSF). The recent judicial review on KCC's BSF programme went in KCC's favour. It is hoped that this, together with ongoing discussions with Michael Gove, will help those schools, particularly in Thanet, that have been left with run down buildings, particularly as it is becoming evident that parents are now favouring those schools who were in the early waves of BSF.

KCC is also keen to make more use of its schools as they are only open for around 19% of the year and some have stunning sports and IT facilities that could be used by the community.

KCC will still maintain a £763m capital programme over the next 3 years as it is vital to the Kent economy.

KCC has made every effort to keep its services intact, but because it was prepared for this situation this has helped to mitigate the effects of the very substantial cuts in government grants.

- Q. Where would be the first port of call for the £5m Big Society Fund? Is there a level playing field for residents and groups who come forward with feasible ideas rather than outside agencies who are funded and unlike residents operate on a volunteer basis? How can we step up to ensure we can apply for these funds as opposed to outside agencies acting as intermediaries?
- R. Defining the criteria for this fund and its nature may change as requests come in, but use your local members as a springboard for this or contact me by email. KCC is keeping an open mind on the type of projects this fund will support, but is very certain that they must be community based. The fund is to help get people off benefits, create jobs for people in Kent or as seed funding to help communities to take responsibility for local services that they and the community need. Please let us know if you have an idea.
- Q. You mention cuts to schools and care so what the thinking behind KCC putting funding into a community centre in Pierremont Park, Broadstairs when last Sunday 200 people turned up in Pierremont Park to say they didn't want this,
- R. The only KCC money involved was a £60,000 Village Hall grant which has been carried over from the last financial year.
- Q. Can we have this spent elsewhere?
- R. (Mr Hayton). As this Community Centre sits within the ward I represent, I am aware that while a minority of people do not want a community centre, the majority of people do. In addition, the £60,000 Village Hall grant is ring fenced.
- Q. Regarding unpaid Council Tax, this must mean the council is losing revenue and getting involved in litigation, etc. Are there plans to deal with this problem and also the problem of vandalism?
- R. The districts do a very good job of collecting Council Tax and Thanet figures very well in the league tables (with one of the worst being in the more affluent districts to the West.) An increase in the number of houses has meant that KCC has benefited by an additional £4m. Regarding vandalism, this is a national problem. Graffiti removal is expensive and work is taking place to influence young people's behaviour from a very early age in pre-schools.
- Q. Do you take a strong line with truancy?

	<p>R. Yes, this is monitored very closely by the Department of Education.</p> <p>Q. Regarding the placement of vulnerable people from outside of Kent, mentioned in your presentation, this has been going on for many years. What progress, if any, has been made to cease this practice, because it is a drain on Thanet during a period when it can least afford it. Thanet should use its resources to deal with the problems it already has, without having the situation made worse by London Boroughs and other counties.</p> <p>R. During the last government it came very close to having a bill enacted which would have precluded children being placed more than 20 miles from their place of residence. Unfortunately this was not enacted but Paul Carter is in discussions with Education ministers and pressure is being exerted to have similar legislation in place. The situation is frustrating because Inner London Boroughs get much higher figures per child and vulnerable adult than KCC does and therefore find it cheaper to accommodate these in Thanet and pocket the remainder. The huge availability of large houses in Thanet that nobody wanted to buy and occupy has fuelled the situation, but progress is being made in Cliftonville to change the ownership and occupation of these buildings and restore them back to their original state.</p> <p>Q. If London Boroughs are making money on placements, then perhaps Thanet should increase its charges?</p> <p>R. Often children go into private fostering and vulnerable adults into private care homes.</p> <p>Q. This problem has been going on for many years? When will we see action?</p> <p>R. It is equally frustrating for KCC as we have as many fostered children from outside our area as from within and this takes up capacity in schools, etc and often these people bring with them behavioural problems that need to be addressed.</p> <p>Q. What is the latest news in relation to the monies that the Icelandic Banks owe us?</p> <p>R. KCC has recovered about £9.3m, there are two court cases ongoing, one heard at the end of February and the other has just been heard in March and KCC believes that its claim as a preferential creditor will be upheld. If this is the case then KCC should receive 90-92% of its money back. But the decision will come out in April and almost certainly will go to appeal, with a final decision likely in June 2011.</p> <p>Q. Has this been allowed for in the budget?</p> <p>R. Yes, KCC is very optimistic.</p> <p>Q. Could people be encouraged to pay Council Tax quickly by prize draws, etc?</p> <p>R. The districts do a very good job and in Thanet the collection rate is 97%.</p> <p>(If you would like a copy of Mr Simmonds' PowerPoint presentation please contact anne.charman@kent.gov.uk .)</p>
5.	Closure of Pfizer – Paul Carter, Leader, Kent County Council
	<p>Paul Carter began by commenting on the budget setting. KCC has tried to be very creative when setting its budget in order to preserve front line services and to show their support, Members voted for a 2% pay reduction in recognition of these difficult times.</p> <p>With regard to criticism over the salaries of senior officers in KCC, at a recent property conference Mr Carter noted the relative increase in property prices and inflation was a lot more than the three fold salary increase of KCC's Chief Executive (in 1982 the Chief Executive was appointed at £62,000 compared to the current salary of £197,000). KCC is a very large authority with a £2.4bn turnover and its senior officers have to carry huge responsibility.</p>

Regarding the BSF programme and the promise from the previous government to rebuild all the secondary schools, KCC has been disappointed with Mr Gove's decision to put down the guillotine on this programme. This has affected 50% of the schools in Gravesham and Thanet. KCC, as one of six authorities, took this to and a judicial review and won and, summing up the judged described this as a 'victory for the brave'. The Secretary of State now has to rerun the process and there is cautious optimism that these projects will be given substantial help.

This cautious optimism summarises the view on how the backfill and job opportunities will be created on the Pfizer site. The news on 1 February that Pfizer intended to withdraw from the Sandwich site by the end of 2012, putting 2,500 jobs at risk, was a huge shock for East Kent. Mr Carter was asked by David Willetts, Minister of State for Universities and Science, to lead a Sandwich Economic Development Task Force, comprising ten very experienced individuals, which has today delivered to Westminster its first government report. This report outlines what has been learnt so far, from the daily contact with the main Board at Pfizer's Head Office in New York and their exit strategy, as it is important to ensure that the supply chain is kept in tact so that people can be re-employed on the Sandwich site.

Mr Carter's task is also to learn from other big corporate withdrawals, particularly in the life sciences and pharmaceuticals industry worldwide. Some may know about the ex-Pfizer site in Michigan, which closed in 2007, which was sold to a university at a discounted price and now five years on, employs more people than Pfizer did. Mr Carter has also visited the ex-ICI Headquarters in Runcorn where ten years ago ICI withdrew and left a site approximately half the size of the Pfizer site, employing 1500 people. Here six brave entrepreneurs competed against property developers who wanted to knock the buildings down. Without state aid or public subsidy, and using redundancy money to support bank loans, after a difficult two or three years they now run about 135 different businesses at Runcorn that employs more people than ICI did in its heyday.

There is a need to honour the commercial sensitivity around the negotiations that Pfizer are engaged in as the task force does not want to prejudice any opportunities, but there is cautious optimism of a similar route for the Sandwich site.

The task force has identified five phases:

- Phase 1: Pfizers are currently trying to attract contract research organisations (CRO) which will hopefully result in the transfer of assets and staff. This is the externalising of some of the work currently undertaken on the Pfizer site and will provide a good anchor tenant as a hub to build upon, employing 200-400 people. Hopefully an announcement will be made by June/July.
- Phase 2: At a meeting recently in London with David Willetts and some of the best brains in the county they looked to see how the task force can work with Pfizers to create spin-offs to the CRO hub. Currently 10-12 venture capitalists are in discussions about the intellectual property opportunities that exist. Timelines are critical before the 'brain drain' begins as it will be difficult to assemble similar teams of scientists, etc.
- Phase 3: Market the unique buildings and state of the art facilities and equipment at Sandwich that will appeal to other high tech businesses. There is a need to understand the product and undertake a global marketing campaign to attract new investment. This is very similar to the Michigan model in 2007.
- Phase 4: Other opportunities available and looking for a long term solution beyond 2012 when Pfizers leave.
- Phase 5: Delivery of a longer term strategy for East Kent.

Realistically it will take between four to six years to get the occupancy of the buildings up significantly and in the meantime there will be a private/public partnership in place to keep the facilities up and running.

In the report submitted to Westminster (available on the KCC website) it recommends that on 22 March George Osborne designate East Kent as one of the re-established Enterprise Zones, giving the area freedoms and flexibilities, e.g. an Empty Rates policy. This will set an environment that is conducive to entrepreneurs.

The Enterprise Zone would also include Manston and its surrounds and importantly aim to get an upgrade to the High Speed 1 (HS1) rail network running from St Pancras and Ashford to Canterbury and Manston Airport. KCC has applied to the Regional Growth Fund 1 for a Thanet Parkway and, although it is not anticipated this will be successful, there is every indication that a more ambitious submission to the Regional Growth Fund 2 will be. Mr Carter has spoken with Theresa Villiers, Minister of State for Transport to explain the importance of rail connectivity around Manston Airport. If a rail time of under an hour to London is achieved, this will put Thanet in the same proximity to London as Oxford. And at a cost of £40-£50m, this is not excessive when compared to the costs of unemployment.

There is a 30 day cycle of reports to Westminster and in the next 30 days the task force will be

- working closely with Pfizer to understand how they will support the staff being made redundant, how the public sector, DWP and other agencies can help to ensure co-ordinated advice, help and support
- understand better the unique product that the Pfizer site offers, working with Locate in Kent and the Department of Trade and Industry to ensure that anyone wishing to set up a business in the biosciences looks to Sandwich as their first choice
- working with higher education and Julia Goodfellow, Vice Chancellor of the University of Kent to look at the possibility of universities collaborating on the site, and
- looking for a modest state aided package.

Q. If you are able to create an Enterprise Zone for industry, could this be extended to tourism as tourism is far likely to be a greater employer than industry? Also, given the state of towns in Thanet with its empty shops and a dire need for quality accommodation and services that support tourism, do we have a level playing field here? Is there equal support for the traditional seaside industries that KCC has also invested in?

R. The zone has not been defined and could include up to Manston, up to the seaside resort of Margate or all the way down to Whitfield. The danger is that if too much is asked for then the project may become too expensive for George Osborne and the Treasury.

Q. There has been a severe and well documented decline in tourism which is an industry of small, independent businesses. It deserves the level of investment that a large corporate organisation would attract.

R. I agree and I have been accused by West Kent colleagues of spending more time concentrating on East Kent. Additional resource was put into Visit Kent last year to promote tourism in Kent and its advertising campaign was very successful in bringing visitors to East Kent. Everything possible is being done to support East Kent, for example working closely with the Margate Task Force supporting the Margate Central and Cliftonville West area with £10m into the Housing Renewal Programme. Also the Turner Centre is opening in April that will act as a catalyst for culture and tourism.

- Q. People who have come to live in Thanet have been disappointed with the high speed travel times. How can we be sure that putting a station at Manston will not have a knock on effect on the old town and shops by reducing the number of services to towns like Ramsgate? How will the out of town station work? How will people get there?
- R. We need to ensure there is appropriate public transport to and from the new railway station with readily available parking. A less than an hour rail journey from Manston to St Pancras will be a massive help to the economy in East Kent. During a recent conversation with Vince Cable it was made clear that there are huge disparities of wealth in Kent. The Pfizer closure has put the high levels of deprivation experienced in the coastal economies of East Sussex and East Kent firmly under the government's spotlight.
- Q. As an ex-Pfizer employee, now retired but formerly involved in the utilities and engineering side of the business, I am very familiar with the infrastructure. I am concerned with the proposed plans and the suggestion that the site can be split up into smaller units. The site was designed as a campus and if the buildings are separated out, then heating, lighting costs will be very expensive. It can only operate as a campus with a management company overseeing these services. Pfizer were an excellent company to work for and are pulling out for good commercial reasons. They pulled out of global production in Sandwich several years ago and the East site has been flattened because they didn't want to pay ground rent. I hope that if they pull out the West side they don't get charged a ground rent.
- R. Contract for CRO Phase 1 is that Pfizers are planning to separate utilities and are getting quotes so that buildings can be stand alone. However the success of Runcorn is that it is run as one campus, with businesses networking and sharing facilities. The entrepreneurs who ran the site took on 50 technicians and, by retaining the site's specialist facilities, had a unique selling point and this is exactly what we are trying hard to retain at Pfizer.
- Q. The South East has seen some of the biggest rail increases in the country. HS1 is very expensive. The coastal towns are ideal places for people who work in town, but don't need to be in London all the time, and work from home, but a daily £60 return fare is unaffordable. Fares need to come down to make living in coastal towns an option.
- R. I agree that we need to get more people coming to live in the coastal towns to boost the economy, but when working with Sir Terrence Farrell on HS1 we looked at comparative house prices and property is relatively lower priced in East Kent compared to Central London. However, season ticket costs for HS1 are too high and we are currently dealing with the franchise agreements to bring these costs down and improve the quality of the service.
- Q. While welcoming a better rail service, I'm assuming the Thanet Parkway is to encourage more people to use the airport. If that's the case, has a noise impact assessment been undertaken specifically for Ramsgate to determine the effect it will have on the town and its businesses?
- R. I support the expansion of Manston Airport as it will be one of the biggest drivers for regenerating East Kent. You only have to look at the areas surrounding Heathrow and Gatwick for evidence of this. Ramsgate will be affected by an increase in air traffic but the positives are that every 1 million passengers will create 1,000 jobs. Modest expansion of Manston is East Kent's best hope for regeneration and for the employment opportunities people in Thanet deserve. However any expansion will have to go through stringent due process.

	<p>Q. When is work going to be done on the villages' potholes? Only the minor potholes are being repaired at the moment.</p> <p>R. Last year the Find & Fix programme was set up, using eight small to medium sized contractors working long hours to ensure that all potholes will be repaired. These teams travelled around the 5,000 miles of roads in Kent, photographing potholes before and after repair. The recent severe winter will have created problems, but this summer there will be a similar Find & Fix blitz on potholes. Let your local county councillor know and they will contact John Burr who now heads up the Highways team and will ensure work is undertaken swiftly.</p> <p>Q. Potholes that were filled last year now need refilling.</p> <p>R. Please show us the photographic evidence and we will address these.</p> <p>Q. Part of the Pfizer site includes fields which are leased for use as a nature reserve and there is anxiety in Sandwich that this use will be lost. Is this being considered?</p> <p>R. This has been discussed and we will need to look at how this can be transferred to a trust to keep the use in perpetuity. Leyland Ridings, county councillor for Sandwich is in the audience and has confirmed that this is correct.</p> <p>Q. To challenge the response to the question about tourism, Ramsgate and the airport. The difference between Crawley, near Gatwick is that Crawley does not depend on a tourist industry and it is also not directly under a flight path like Ramsgate, so a comparison cannot be made.</p> <p>Q. Regarding the proposal for a new rail link to Manston, when the last high speed train came through the Charing Cross service was cut out. The majority of people that live in this area need to go to London Bridge or Charing Cross, so a high speed train to St Pancras will not be high speed, it will take us longer. Will the new high speed service result in station closures? Why not use the already existing Ramsgate Station? Why waste money? Is the high speed service a foregone conclusion because in Ramsgate we have many new build/refurbished hotels springing up.</p> <p>R. No, it isn't, but when meeting the best brains and venture capitalists from the pharmaceutical industry in London recently one of their first questions, unprompted, was where Sandwich was situated and its connectivity time to London.</p> <p>Q. Are you expecting tourists to go to Ramsgate and Margate using shuttles?</p> <p>R. If you consider the number of visitors to London, a connectivity of less than an hour would make visiting this very beautiful part of the county very attractive.</p> <p>Q. It is the rail users who have to pay for the high speed services and what are the benefits?</p> <p>R. When negotiating the next franchise agreement costs will be looked at. Roger Gale is an excellent champion for trying to get sensible timetabling and costs brought down. It is important to get this part of the country connected to London in under an hour.</p> <p>For a copy of the Sandwich Economic Development Task Force's 30 Day Report to Ministers please visit: https://shareweb.kent.gov.uk/Documents/News/pfizer-30day-report.pdf or contact anne.charman@kent.gov.uk</p>
6.	Grant recommendations – Local Schemes Grant 2010/11 Tranche 2
	The recommendations of the Local Schemes Grant 2010/11 Tranche 2 were as follows:

	Applicant	PROJECT TITLE	Amount
	Cliftonville Partnership Co-ordinator	The Cliftonville Partnership	£1,428
	Thanet Youth Council	Positive activities for young people	£6,572
	Mr Hayton confirmed that a similar level of funding would be available again this year through its three funding streams; Member Community Grant, Local Schemes Grant and Small Community Capital Projects.		
7.	Kent Youth County Council / Thanet Youth Council		
	<p>Becci Barraclough helps run the Thanet Youth Council on a voluntary basis. At the last Thanet Youth Council meeting the main issue discussed was lack of money, the withdrawal of EMA , the cost of going to university and the lack of jobs available. The Freedom Pass was also discussed and TYC would like to propose the idea of paying for this in four instalments rather than a £100 payment up front.</p> <p>In the future TYC will be looking at working more with Pie Factory Music, the Margate Renewal Partnership. They have also made some very useful suggestions when working with the Margate Seafront Renewal team and in particular the citing of a cycle path, moving it away from the railings to make the seafront more accessible.</p> <p>Other events planned are Easter Blast in April, working with the Marlowe Academy and putting together a time capsule for the future generations in Thanet.</p>		
9.	Opportunity to ask questions about local public services		
	None.		
9.	Any Other Business notified to the Chairman prior to the meeting.		
	None		
10.	Close		
	Mr Hayton thanked all the speakers for their presentations and the public for attending and closed the meeting.		