

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, 19 January 2012.

PRESENT: Mr M C Dance (Chairman), Mr M B Robertson (Vice-Chairman), Mr A R Chell, Mr N J Collor, Mr K A Ferrin, MBE, Mr P J Homewood, Mrs J P Law, Mr M J Northey (Substitute for Mr K Smith), Mr A Sandhu, MBE, Mr M V Snelling and Mrs E M Tweed

ALSO PRESENT: Mr K G Lynes, Mr J A Kite, MBE, Mr M A Wickham, Mr V Lucas and Professor Gregory

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Mrs T Bruton (Head of Regeneration Projects), Mr P Crick (Director of Planning and Environment), Mr R Gill (Economic Policy and Strategy Manager), Ms J Hansen (Acting Finance Business Partner BSS), Mr Jarvis (Kent Downs and Marshes Leader Manager) and Mrs C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

105. Minutes of the meeting held on 16 November 2011

(Item A4)

RESOLVED that the Minutes of the meeting held on 16 November are correctly recorded and that they be signed by the Chairman.

106. Presentations: Professor Peter Gregory, Chief Executive, East Malling Research

(Item B1)

(Mrs E Harrison, Rural Regeneration Manager, was present for this item)

1. The Chief Executive, East Malling Research, Professor Peter Gregory gave a presentation using overheads, see attached to these Minutes, which set out the changes and the current work at East Malling Research. The Research Centre would be celebrating 100 years in 2013.

2. The Members were given the opportunity to make comments and ask questions which included the following:

- In reply to a question, Professor Gregory advised that they did work with both primary and secondary schools in a limited way, although, more could be done with increased resources.
- In reply to a question, Professor Gregory said that he was pleased to see Food Security back on the national agenda although funding had

not followed the ideas. He considered that the Research Centre had to be placed in the best position for when opportunities arose. If the Centre had not continued to employ people until it had a contract it would have shrunk or closed like other Research facilities. The East Malling Research Trust, the Research Centre fund holder, understood this and had put the finance in place.

- In response to a question, Mrs Harrison advised that through Kent Rural plc KCC was looking to engage with schools on careers in horticulture. There had been great success for other sectors.
 - In reply to a question, Professor Gregory advised that the Research Centre was looking at the production of food in a range of areas but there was nothing specific on sandy soil. The Research Centre had a bid in place with a Middle Eastern country.
 - Professor Gregory advised that he was surprised by how little income was received from the European Union by the Research Centre. He expected this to be 10%. The focus of East Malling Research had been on survival. The Research Centre would be hosting continental colleagues from Spain, and working in China in February when five members of staff would be travelling to China to breed varieties of strawberries, as there was a rapidly growing market in yogurt.
3. RESOLVED that the Chairman and Members thanked Professor Gregory for attending the meeting and agreed to keep in contact.

107. Growth without Gridlock: Regional Growth Fund and Rail Links to Thanet *(Item B2)*

(Report by Mr B Sweetland, Cabinet Member, Environment, Highways & Waste and Mr P Crick, Director of Planning and Environment)

(Mr Vince Lucas, Service Director, Southeastern, was also present for this item)

1. The Chairman welcomed the Service Director of Southeastern, Mr Lucas and Director of Planning and Environment, Mr Crick to the meeting. With the Chairman's permission Mr Crick advised that he had an announcement to make before he presented the report.

2. He advised Members that on 18 January the Government announced that it intended to consult on a Hub Airport in the Thames Estuary in March 2012. KCC's position on the Hub Airport, which came from the Aviation Consultation in 2011, was that KCC objected to the proposals for a Thames Estuary Hub Airport as it felt that this would cause irreversible and fundamental environmental damage and it believed that the existing airports in the South East such as Manston and Southend were assets that could be used far more, rather than providing a new environmentally damaging facility. With the maximising of High Speed one in the South East and the planned High Speed two, there was the potential to link to Heathrow, Gatwick and Birmingham to create a virtual hub airport in the South East and Midlands of England without the need to spend £50-70billion.

3. Although the Government's consultation on the Hub Airport in the Thames Estuary was not due until March 2012, Mr Crick invited Members to submit their views to him.

4. Members were given the opportunity to comment and ask questions that included the following:

- a) A Member disagreed with KCC's stance on this matter. People he had spoken to were generally keen about the creation of thousands of jobs this proposal would generate and that it would be an asset to the more difficult parts of East Kent. The Hub Airport would provide opportunities that Kent would get no other way and it would make a difference to the whole of East and North Kent. He proposed that KCC should seek to find out what the people of Kent's views were on the proposal.
- b) A Member advised that the Liberal Democrat Group was opposed to the Thames Estuary Hub Airport in principle. He understood that the Government's consultation was broader and considered Hub type Airports for the whole Country.
- c) A Member described views they had heard discussed on Kent Radio and concluded that views would differ depending on where you lived and agreed that there needed to be a wider debate.
- d) In response, Mr Crick advised that his Team would be coordinating KCC's response to the Government's consultation on the Hub Airport in the Thames Estuary in March 2012. He would be happy to receive any comments by Members in the meantime.

5. Further on, Mr Crick introduced the report highlighting the following:

- Kent was successful in securing £40 million Regional Growth Fund (RGF). £5 million would be used to support enhancements to line speed on the Ashford-Ramsgate rail route.
- There was the potential to take 10 minutes off the journey time from Ramsgate to St Pancras on the high speed line, this would reduce the journey time from Manston to Central London to 60 minutes .
- The construction of a Thanet Parkway Station was unsuccessful in the first round RGF bid in January 2011 as the Government considered that it would not create sufficiently large number of jobs in the three years of the fund. The business case remains strong with a Benefit Cost Ratio of 5:1. Work on developing the business case for a Thanet Parkway Station would continue.

6. The Chairman invited Mr Lucas to speak on the High Speed rail links. Mr Lucas said that he had been interested to hear the earlier debate on the Hub Airports as he was a Transport Business representative on Local Enterprise Partnership. He highlighted the following:

- Research showed that by reducing journey times and increasing speeds you will attract more passengers.
- Southeastern had been jointly working with Network Rail on a project to reduce the journey times from Ashford, Canterbury and Ramsgate.
- Southeastern had worked on the Rail Action Plan for Kent with Mr Crick and his Team.
- When the line speeds were in place, rigorous tests were made on the new infrastructure. Following those tests at the next convenient timetable date the journey times would be changed to reflect the enhanced speeds. This was carried out approximately 6 months after the line speeds were tested.

7. Members were invited to make comments and ask questions which included the following:

- a) In response to a question, Mr Lucas advised that to make a route faster for Hythe and Canterbury there would have to be fewer stops. It was mandatory that the trains called in at Meopham and Longfield as part of growing businesses there. The impact of those two stops added 6-10 minutes on the journey time.
- b) In reply to a question, Mr Lucas advised that Southeastern carried out research with Canterbury City Council looking at passenger numbers, growth etc. After looking at all of the stations in the area, Hythe Whitstable etc, there was a change in passenger patterns with an increase at Canterbury West, a reduction at Canterbury East, no change at Herne Bay ,at the time, and an increase at Whitstable. They produced detailed graphs of the regular and High Speed services. Overall the rail journeys from the Canterbury City area increased from 1.2 to 1.5 million journeys per annum after the introduction of High Speed. There had been a reduction in passengers using the Canterbury East to Victoria. The number of passengers travelling by train from Herne Bay was falling but had been falling long before the introduction of High Speed services, although, in the last year they had begun to increase. Mr Lucas considered that this may have been due to a change in the demographics of the people living in the area. He was happy to share this data with the POSC.
- c) Mr Crick responded to concerns regarding the safety of the level crossings between Ashford and Ramsgate, especially at Wye. He advised that the £5million of the Regional Growth Fund would be going towards improving those level crossings. At this time he was unable to say whether there would be enough money to build a bridge at Wye but it would be a priority to improve the crossing.

8. **RESOLVED** that the information in the report and given to Members be noted with thanks.

108. Feedback report from RED POSC Rural visits

(Item B3)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director of Business Strategy and Support)

(Mr H Jarvis, Kent Downs and Marshes Leader Manager, was present for this item)

1. The Chairman invited Mr Jarvis to introduce the report. Mr Jarvis focused on the following:
 - a) The Kent Downs and Marshes (KDM) Leader was part of the Rural Development Programme for England (RDPE) funded by Defra and the EU. KDM Leader was awarded a total programme budget of £2.25 million in 2008 to support projects within a specific geographical area. Of this, £1.8 million was allocated to project costs, the remaining £450,000 being allocated to facilitation and administration of the programme. The total programme budget was reduced in the 2010 Comprehensive Spending Review down to £1,651,933
2. In response to a question by a Member, Mr Jarvis said that if Members knew of business people who may want help from the Kent Downs and Marshes Leader programme he and his Team would be happy to meet with them.
3. The Chairman advised that a further rural visit was being arranged for February.
4. RESOLVED that the information given in the report and to Members be noted with thanks.

109. The Future of SEEDA's Assets

(Item B4)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director of Business Strategy and Support)

1. The Director of Economic Development, Ms Cooper, highlighted that as part of its role in unlocking difficult sites, SEEDA had acquired many sites in Kent and Medway. With SEEDA's demise, the sites had been transferred to the Homes and Communities Agency (HCA). The POSC considered a report that explained the process for transfer as well as how local authorities were involved in their development and disposal.
2. RESOLVED that the information in the report be noted, with thanks.

110. Thanet - Economic Growth and Development - update

(Item B5)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director of Business Strategy and Support)

(Mrs T Bruton, Head of Regeneration Projects, was present for this item)

1. Members made comments and asked questions which included the following:-
 - *No Use Empty* – Other councils should take this information and focus on jobs and apprenticeships for local people. Mrs Bruton advised that the initiative had been particularly successful in Thanet. It was a countywide partnership not only creating jobs but better environments and positive partnerships which were looking to expand.
 - *Margate Housing Intervention programme* – A Member asked about a Judicial Review issue in relation to the scheme and Mrs Bruton undertook to provide an update on the situation via the Committee Clerk.
 - *Dreamland* - This was being compulsory purchased but what was going to happen long term following the owners proposal for a large plot of houses? Mrs Bruton confirmed that the announcement of grant funding would secure the listed buildings on the site and agreed to provide update to a future meeting once the outcome of the process was understood.
 - *Westwood Cross Shopping Centre* – Is KCC a consultee? Mrs Bruton advised that KCC was a consultee at the time of the planning application approval and, although contrary to the premise of out of town shopping centres, the overall benefits to the District were considered a priority in this instance.
 - A Member expressed an opinion that Westwood Cross Shopping Centre had played a large part in the local shops in the area losing business.
2. RESOLVED that the information given in the report and to Members be noted, with thanks.

111. Update on Strategic Projects

(Item B6)

(Report by Mr K Lynes, Cabinet Member, Regeneration and Economic Development and Mr D Cockburn, Corporate Director Business Strategy and Support)

1. The Director of Economic Development, Ms Cooper introduced the report and set out the work being undertaken. She responded to comments and questions from Members. Points highlighted were as follows:

- a) A Member commented on the need for suitable hotel accommodation in Margate to support an increase in the number of visitors to Margate. Ms Cooper advised that the Rendezvous Site was a key project for the Economic Development Team. External consultants were appointed last year to look at this but the right circumstances were not in place yet. This was a long term proposition and had to be the right hotel. Visit Kent was also holding discussions locally. Ms Cooper concluded that the issue rests on timing.
 - b) A Member commented on the difficulty of some urban areas as well as rural that did not have Broadband and agreed to share Broadband mapping information he was due to receive with the POSC.
2. RESOLVED that the information set out in the report and given to Members be noted, with thanks.

112. Growing Places Fund and Regional Growth Fund

(Item B7)

(Report by Mr K Lynes, Cabinet Member, Regeneration and Economic Development and Mr D Cockburn, Corporate Director Business Strategy and Support)

(Mr R Gill, Economic Policy & Strategy Manager was present for this item)

1. The Economic Policy & Strategy Manager, Mr R Gill, introduced the report highlighting that Kent had been successful in securing £40 million Regional Growth Fund investment in the Expansion East Kent Programme, reflecting in particular the success of the work of the Sandwich Economic Development Task Force following the Pfizer exit announcement. £35 million would be used to provide grants and loans to businesses seeking to invest in projects that will create jobs in East Kent. The Business Grants were to be launched in March 2012 and there had already been 180 expressions of interest. KCC's Regeneration Fund had allocated up to £1.7 million over three years to support running costs, equating to approximately 4.25% of programme value. Mr Gill also commented on the Growing Places Fund.
2. Members were given the opportunity to make comments and ask questions. Points raised included:
 - In reply to a question, Mr Gill advised that it was not clear whether the majority of the funding would be for loans or grants. Work was being carried out on options of how the funding would be allocated to allow flexibility and to minimise bureaucracy.
3. RESOLVED that the information in the report and given to Members be noted, with thanks.

113. Financial Monitoring 2011/12

(Item B8)

(Report by Mr K Lynes, Cabinet Member, Regeneration and Economic Development and Mr D Cockburn, Corporate Director, Business Strategy and Support)

1. The Acting Finance Business Partner, Ms Jackie Hansen, gave a brief introduction highlighting that the revenue and capital budgets were very healthy. The capital regeneration fund was considering various bids, the expenditure of which will now fall in to 2012/13, resulting in the need for re-phasing of -£4.2m and the outcome of the planning application for the re-development of the Hotel Lesley site to Thanet District council, was not expected until the end of March/early April. Expenditure will now fall in to 2012/13 and budget of -£1.0m has therefore been re-phased to 2012/13.

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

114. Budget 2012/13 and Medium Term Financial Plan 2012/15

(Item B9)

(Report by Mr K Lynes, Cabinet Member, Regeneration and Economic Development and Mr D Cockburn, Deputy Managing Director Corporate Director Business Strategy and Support)

(Ms J Hansen, Acting Finance Business Partner)

1. Ms Hansen referred to the base budget adjustments advising that staff had moved from the Strategic Policy team in to the Economic Development Team as part of the restructure. Staff travel had increased by £3k to allow for the increase in the casual user rate. There had been a £10k price increase for contracts and an increase of £220k to the Cyclopark base revenue budget, of which £125k is the KCC grant to the project and the balance is to fund the net running costs. There was a saving of £300k, removing the Community Events Grant. Ms Cooper added that with a £2.2m reduction to the budget for growing the economy, her team did not have any resilience should another Pfizer happen. However, she understands that all units are facing similar challenges.

2. Members were given the opportunity to make comments and ask questions which included the following:

- In response to a question, Ms Hansen advised that the Cyclopark revenue payment was an on going contribution but as the project got underway we would be generating an income.
- Members welcomed Mrs Tweed's, Chairman of the Communities POSC, invitation to join the Communities POSC on a visit to the Cyclopark followed by a visit to the Sikh temple. Mrs Tweed agreed to forward the final details to Members.

3. RESOLVED that the Members comments and questions on the revenue and capital budget proposals and the report, be noted with thanks.

115. Update on Select Committee Work

(Item C1)

(Report by Mr P Sass, Head of Democratic Services)

1. The Democratic Services Officer advised that the Select Committee for Renewable Energy had been reconvened to consider its recommendations one year on. Members were given the opportunity to make comments. Points made included:
2. Mrs Tweed made a suggestion for a new Topic Review “Provision of Airports Regional and Hubs”, which Members of the POSC supported.
3. RESOLVED that the information in the report and the suggestion of a new Topic Review “Provision of Airports Regional and Hubs” be noted, with thanks.