

KENT COUNTY COUNCIL

ECONOMIC DEVELOPMENT CABINET COMMITTEE

MINUTES of a meeting of the Economic Development Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 9 January 2013.

PRESENT: Mr M A Wickham (Chairman), Mr N J Collor (Vice-Chairman), Mr A H T Bowles, Mr K A Ferrin, MBE, Mr J A Kite, MBE, Mrs J P Law, Mr R A Pascoe, Mr T Prater, Mr K Smith, Mrs E M Tweed and Mrs C J Waters

ALSO PRESENT: Mr M C Dance

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Ms J Hansen (Finance Business Partner BSS), Dave Hughes (Head of Business Engagement and Economic Development), Mr P Wookey, Mr R Moys (Head of European Policy), Mr R Gill (Economic Policy and Strategy Manager) and Mrs C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

48. Minutes of the meeting held on 8 November 2012 (Item A4)

RESOLVED that the Minutes of the meeting held on 8 November were correctly recorded and that they be signed by the Chairman.

49. Presentation - High Growth Kent by Ms Jane Ollis, Chief Executive Officer of Business Support Kent - Community Interest Companies (Item A5)

1. The Chairman welcomed the Chief Executive Officer, Business Support Kent, Community Interest Company (BSK-CiC), Ms Ollis and Mr Ivanov (High Growth Coach in BSK) to the meeting and invited them to give their presentation. Ms Ollis and Mr Ivanov welcomed the opportunity to speak to the Cabinet Committee.

2. Ms Ollis and Mr Ivanov gave a comprehensive presentation using overheads and highlighted the following points:-

- As a community interest company it was a non profit business based in Kent. Its sole purpose was to help Kent companies grow and any profits that were made had to be reinvested back into the business community.
- BSK help Kent businesses to grow through offering opportunities for networking and deploying a team of trusted advisors.
- The majority of BSK's services were free of charge as they had secured European and other public funding.
- BSK looked to work with ambitious Kent companies with something unique to offer the market place such as offering new products and ideas into the market place that could grow particularly in Europe and the global market place. The High Growth coaches were all specialists in one or more areas.

- Only 20% of the business in the UK had real substantive ambitions to grow. In Kent 55,000 businesses were operating in the community, approximately 6% of those business had the potential to grow, equalling 3,000, and of that 3,000 approximately 20% had real substantive ambition to upscale their business.
- There were a number of factors which impinged on why businesses did not have the ambition to grow including the economic situation Ms Ollis stated that there needed to be a culture of where “success breeds success”. Having networks and creating events for businesses to meet and talk to one another was important.
- A key barrier to growth was accessing finance with a quarter of businesses citing this reason.
- Over the last three years High Growth Kent had generated a network of nearly 500 Kent companies, providing individual coaching support for over half of those companies and in that process creating 400 new jobs for the Kent business community and raising £40 million of investment to those businesses. BSK had also supported a small number of Kent businesses into the European market.
- Ms Ollis stressed the importance of a Coach saying that research showed that a number of businesses sought advice from a colleague or friend, accountants or lawyers but a third who looked for that advice did not do anything with it. A Coach would help solve a particular problem that the business had at that point in time and as part of that process would improve the ability of that owner to take control, to be confident to be able to manage risk better and go forward to manage their business better.
- High Growth Kent was only working with 9% of Kent companies with growth potential. Referring to national data, Ms Ollis advised that Kent was below average in terms of companies with growth. Ms Ollis considered that there was potential through encouraging ambition and aspirations and good business plans, to grow businesses in Kent.
- Mr Ivanov gave 4 examples of business; *PPR WIPAG*, *C.MECH*, *2gbiopower and Nicholls*, that had received assistance from High Growth coaches and gave details of how they were individually helped. He explained that the coach’s role was to meet the business owners face to face to discuss their problems/concerns; identify where the Coach could help them; identify the quickest way to make an impact; and help them derisk their potential growth.
- Coaches worked with a wide range of businesses including start ups, existing companies and fast growing companies. To qualify for the Coaches help they had to be small medium business (SME) with up to 49 million euros turn over per year.

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

- a) A comment was made on the 400 jobs created by the 250 businesses that High Growth Kent had been coaching on a one to one basis which was equivalent to 2 jobs per company as an average; although in some cases this was a lot higher and in others it had not yet happened. Ms Cooper advised that these companies were being supported because of growth potential. Many of the businesses in East Kent particularly in Discovery Park in the early days was not about taking on new staff but proving the concept of the business therefore there was a time lag in new recruitment.

- b) Ms Ollis added that High Growth Kent had a target of 300 new jobs over the next two years and she was confident that this would be achieved. The manufacturing sector had particular potential to create new jobs. High Growth Kent was about to start work with a company in East Kent which had the potential to create 46 jobs once they set up their operations. A lot of the work carried out by High Growth in East Kent currently focused on finding investment, which would eventually lead to new job creation.
- c) A comment was made on the potential conflicts between supporting the ambitions of a private business through High Growth Kent [funded by KCC] and KCC's position in the community when there was a potential conflict.
- d) Mr Dance advised that as a member of the Investment Approval Board (IAB) many companies had received regeneration money in East Kent and High Growth Kent and the intervention with those companies by High Growth Kent had been successful. He hoped that High Growth Kent would be as successful with TIGER project in North Kent.
- e) A question was posed in two parts; 1. What was the return for KCC's investment through High Growth Kent, in those companies and if the answer was jobs what were the number of jobs? and 2. What was the scale of the investment? Mr Hughes advised that the scale of the investment in the past 21 months was £150, 000. For the next 2 years the agreement with High Growth Kent, which started in January 2013, was £296,000. The prime objective was jobs and the target for those 2 years was 300 new jobs.
- f) In reply to a question, Ms Cooper advised that for the £300,000 funding 300 jobs would be created equalling £1000 per job. This figure compared very favourably with the Expansion East Kent scheme which worked to a £8-12k figure per job.
- g) In reply to question, Mr Ivanov explained that for every business that the Coaches met, the sole purpose was to expand the business, both their headquarters and operation, in Kent. If they wanted to sell their products and develop internationally the Coaches would support that too. He mentioned manufacturing businesses that had relocated to Kent from London and France who received support from High Growth Kent.
- h) In reply to a comment, Ms Ollis advised that Kent was in a unique position to attract businesses and retaining businesses in Kent when the two Regional Growth Funds came on line, offering interest free, unsecured loan financing. She was not aware of anywhere else in the country that offered this. Ms Ollis advised that she had worked with businesses that had looked to move out of Discovery Park that were now staying because of the finance they could access in Kent. She considered that this opportunity should be used to drive inward investment for the development of Kent companies.

- i) A request was made for covering reports to be provided when presentations are given to the committee.
 - j) In reply to a question, Ms Cooper highlighted the work that Economic Development undertook with businesses including the sector conversations to be held with manufacturing and digital sectors where businesses will come together to discuss barriers to growth. To date barriers had been indentified as the need to better network; recruit people with the right skills, develop the local supply chains and access business support and advice. Economic Development also worked closely with business support agencies and the six key banks. In relation to Expansion East Kent and eventually for TIGER the aim was to derisk bank lending which would enable the businesses to start accessing funding. Work was also being undertaken with BIS and UKTI regarding marketing Kent as well as Visit Kent and Locate in Kent. It was also the role of Economic Development to look at new markets and future innovations too.
 - k) Members would welcome more detail giving examples of how many jobs had been saved through the intervention of High Growth Kent.
 - l) In reply to a question, Ms Cooper advised that within the draft Business Plan, in the latter part of the agenda, there was a draft job target. The number of new jobs took account of multiple interventions. A request was made for the details of the calculation to be included in the covering report.
4. RESOLVED that the responses to comments and questions by Members and the information provided by Ms Ollis and Mr Ivanov, High Growth Kent be noted, with thanks.

50. Presentation - Action with Communities in Rural Kent (ACRK) by Mr Keith Harrison, Chief Executive
(Item A6)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

(Mr K Harrison, Chief Executive, Actions for Communities in Rural Kent was present for this item)

1. The Chairman welcomed the Chief Executive of Action for Communities in Rural Kent (ACRK) Mr K Harrison, to the meeting and invited him to give his presentation.
2. Mr Harrison welcomed the opportunity of speaking to the Cabinet Committee. He gave his presentation using overheads and raised the following points:-

- Action for Communities in Rural Kent (ACRK) was a charitable organisation with 17 staff and 50 volunteers [2012 - ACRK had 22 staff 22 associates and 100 volunteers].
- ACRK's role was to influence and give information so that the County Council can make decisions and form policies.
- The work of ACRK covered approximately 600 projects per year.
- ACRK's main clients were Parish Councils, community organisations, small business, Social Enterprises, informal community bodies and sometimes combinations of those five bodies.
- ACRK would need to review its level of activity if the investment it received remained the same.
- ACRK was working with KCC officers in new external investments coming into the Kent to help deliver for rural communities.
- Work had been undertaken to quantify the economic impact of ACRK's work [ACRK's two agreements with KCC was listed in the Economic Development draft Business Plan in the latter part of the agenda].
- ACRK had two "rural proofing" contracts with the Government. This was where the Government had given private sector companies the opportunity to deliver a rural quota or they would be fined and ACRK gave the company that rural reach. Mr Harrison considered that that may be something that was replicable in Kent.
- Over the past five years ACRK had underpinned £420 million of activity in Kent's economy. More work would be carried out to evidence this later in the year.
- ACRK's running costs for 2007-12 were £3.6 million of which KCC invested 11%. This represented a return on KCC's investment of £1:£1,050. Mr Harrison advised that the average investment per council was 26%. He calculated that for every £1 of KCC's investment ACRK attracted £1050 worth of spend in Kent every year. He was unable to say how much of that figure would have been spent without ACRK.
- ACRK was involved in a local needs housing scheme in Gunston Park to develop 80 housing units. ACRK had a database of all the housing schemes that it had worked on and explained that at present there were 2.5 million unbuilt local needs houses in Kent due to either problems in finding sites. Work was being undertaken with the districts and Housing Associations which was underpinned by the Housing protocol which KCC had a key role in producing. He then spoke on the work of the ACRE in the network of village halls across the country keeping them safe and legal.
- ACRK was currently running eight European funded projects all bar one were run with partners in other countries across Europe. They were improving the quality of social entrepreneurship and what it takes to make a sustainable rural community and placing young people in non profit organisations to see whether that was a viable career option for them etc. ACRK also played a role in writing the first bid of the LEADER programme administered by KCC, detailed within the Economic Development Business Plan. It was also involved in the National Monitoring Committee for the LEADER programme worth £3.9 billion. Mr Harrison sat on the Board of the National Association of ACRK and was able to represent what happened in Kent, this would also inform the Rural Investment Plan.
- Community led planning was the core business of ACRK. There was currently one in Northfleet with plans for one in Dover and one in Ramsgate. ACRK had carried out 140 Community plans in Kent. The Department for Communities

and Local Government advised that £155,000 worth of economic benefit was gained from those plans.

- ACRK delivered projects to get 200 people back into work.
- ACRK ran a European Social Fund Grant Scheme targeted at assisting small bodies who assist people getting back into work.
- ACRK carried out a limited amount of work in rural tourism. It co owned “Hidden Britain” that worked with Visit Kent.
- ACRK sponsors included Europe, DEFRA, Avanta and Southeastern.
- Mr Harrison advised on the relationship between KCC and ACRK. KCC appointed a governor to the Board of Trustees, Richard King was currently the Vice Chairman of ACRK. ACRK received support financially and “in kind”. There were three funding sources received from KCC; two from Economic Development, a £37,000 core service level agreement and £16,000 contribution to ACRK retail sales and one through the Highways and Transportation section of £25,000 that dealt with the Community Rail Partnership.
- KCC’s policy setting and delivery worked well for ACRK.
- For the future ACRK wanted to do more of the same activities but better. This would be achieved through continuing to create a positive context for rural communities to be able to address and identify their needs, tackling disadvantage, supporting the creation of new enterprise neighbourhood planning, innovation work eg Broadband being targeted at homes where were real poverty issues and expanding its activity in rural retail through supporting pubs and garages etc.
- For the immediate future ACRK would be working with KCC on the Rural Investment Plan. As part of the national network ACRK would be working beyond Kent on economic growth in recognition of activity that had worked in Kent.
- Negotiations with KCC would be undertaken to secure the work that needed to be carried out in 2013.

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

- a) In reply to a question, Mr Harrison advised that he had seen signs of people using the Localism Bill through the ‘Right to Challenge’. ACRK had received queries on local people wanting to take over local services. He referred to the “Handyman Service” in Ashford Borough.
- b) In response to a question, Mr Harrison explained that a decision was still to be taken on which local growth services would be reduced if funding was not increased. The community led planning and neighbourhood planning areas were the most vulnerable. He advised that there had been discussion in principle with Sussex and Essex on buying in expertise. There may need to be a reduction in the village support work, which may impact of the work undertaken for KCC on grants to village halls.
- c) In reply to a question, Mr Harrison advised that anything less than triple the current funding received by ACRK would mean a reduction in the activity. At present it was not known what could be achieved with more, less or no funding. Work would need to be undertaken with KCC officers to provide this information.

4. RESOLVED that the responses to comments and questions by Members and the information provided by Mr Harrison be noted, with thanks.

51. Regeneration and Economic Development Portfolio Financial Monitoring 2012/13

(Item C1)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

(Ms J Hansen, Finance Business Partner, Business Strategy and Support was present for this item)

1. The Chairman invited Ms Hansen to introduce the report. Mrs Hansen highlighted the following points:

- The revenue budget was on target to deliver a balanced outturn.
- There were no major variances
- There was a minor variance due to the empty properties initiative where the County Council received extra income which had to be paid directly to the Districts.
- There was rephasing on the Capital budget into following years due to the Regional Growth Fund rephasing which was based on “estimates” on applications for the Expansion East Kent programme, the Broadband project due to the procurement timetable and Live Margate which was rephasing beyond the current MTP period into 2012/15.

RESOLVED that the revenue and capital forecast variances from the budget for 2012/13 based on the second quarter’s full monitoring to Cabinet be noted.

52. Budget Consultation 2013/14

(Item D1)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

(Ms J Hansen, Finance Business Partner, Business Strategy and Support and Mr D Shipton, Head of Financial Strategy, was present for this item)

1. The Chairman invited the Head of Financial Strategy, Mr Shipton, to introduce the report. Mr Shipton advised the following:

- The timing of this Cabinet Committee and some others was difficult as the settlement was advised just before Christmas and the final draft budget was planned to be launched on Tuesday, 15 January when the Cabinet papers would be published. As a result there was an offer for those Cabinet Committees that meet before the launch to convene a Budget IMG to discuss their draft budgets before the budget was discussed at County Council on 14 February.
- The provisional settlement from the Government was considered the most complicated settlement that the County Council had received from the

Government. This was due to the introduction of a new funding arrangement with localising the business rates and transferring a number of existing grants into the new business rate model which made the comparison of this year and next year complicated.

- The headline for KCC was overall the settlement was £16 million worse than was forecast as the time of the launch of the budget consultation in September 2012. The issues did not affect this Cabinet Committee's portfolio as they were about the changes to the arrangements on the early intervention of grant and the funding for local authority central functions in relation to Education where there were significant reductions that were not anticipated.
- On a more positive note there had been an announcement in the Autumn 2012 from the government that there would be an additional grant to support freezing Council tax 2013/14. This was more than had been forecast at the time of the budget consultation.
- In terms of the overall provisional budget, at the time of the launch of the budget consultation it was estimated that there would be £32 million additional spending pressures, some of those pressures had also increased since the launch of the budget consultation and it was anticipated that the County Council would have in excess of £40 million additional spending pressures to fund next year as well as those funding reductions which meant that the overall position was the need to make £83 to £84 million savings in the proposed budget compared to the £60 million estimated at the time of the launch of the budget consultation. This was all still subject to change before the final draft.

2. The Chairman asked Members whether they wished to have another Budget IMG meeting. A Member suggested that it would depend on how the final draft budget figures affected the budget of the Regeneration and Economic Development portfolio's budget.

3. Ms Cooper advised that she understood that there were no further pressures on the Regeneration and Economic Development £3.9 million budget as 30% savings had already been achieved over the 2 years. Mr Shipton indicated that there were no significant proposals affecting this portfolio, following which Members agreed not to hold a further Budget IMG meeting.

4. RESOLVED that:-

- a) the verbal update by Mr Shipton on the late announcement of the provisional local government finance settlement and the impact on budget timetable be noted; and
- b) the issues raised in consultation and Cabinet's response set out in the report be noted.

53. Grow for it: East Kent - Update Report (Item D2)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

1. The Chairman invited the Director of Economic Development, Ms Cooper, to introduce the report. Ms Cooper gave a summary of the events since the Cabinet Committee received the presentation from Mrs Charlotte Hastings from Seven Hills at its meeting held on 21 November, which included the following:

- The launch of “Grow for it” held on 28 November at Dover Cruise Terminal was considered successful with many business people in attendance.
- Many of those businesses pledged their support to the campaign by offering their stories as successful businesses in East Kent and/or using their space to advertise the campaign. Work was currently being undertaken to follow up those pledges.
- Advertisements had been displayed in London on bus sides and in the underground from 28 November to 13 December 2012. Feedback as to the impact was awaited on the advertising campaign.
- The website had also been launched.

The plans for the next quarter were as follows:

- There would be sector debates, which included a digital and creative debate on 21 February 2013 called “Wanted Digital Pioneers -Innovations for the 21st Century” to coincide with Games Expo East Kent “GEEK” in Margate. Work was currently being undertaken on the programme and the speakers.
- Plans were underway to hold a Tourism Conference on Wednesday, 20 March 2013 at Dover Cruise Terminal. The programme would reflect what had been achieved in tourism in the past 10 years with Visit Kent and the challenges and opportunities for the future. This would include looking at new markets and how to adapt to those markets.
- Further developments were to be made to the website to include a “tool kit” for businesses.
- Another bus tour was being planned which may be in conjunction with the tourism conference.
- Seven Hills was meeting with the Economic Development Officers from each of the Districts. A meeting was due to be held on 11 January 2013.
- Ways of measuring the advertising campaign was currently taking place.

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

- a) A Member considered that it was difficult to gauge the mood of business but there was evidence of positivity within the stock market and advertising. It was suggested that KCC needed to capture this as there could be benefits for Kent. Ms Cooper concurred saying that at the last meeting of the Business Advisory Board, business representatives said that they could see some real indicators of growth particularly in marketing and support services. Ms Cooper suggested that in economic development terms KCC had been working to help businesses cope with the recession, this was the time for KCC to start to capitalise on growth.
- b) In reply to a question, Ms Cooper advised that it was anticipated that the marketing programme would run for three years subject to results. The aim of this programme was to access markets through a fresh approach to portraying

East Kent. There were two markets; the first was in East Kent with an aim to retain and grow the businesses in East Kent and the second was the London market and beyond, looking at; who were the investors, who now wanted to come out of London because their business could operate elsewhere. How this was capture would be through Locate in Kent with applications coming through the expansion of East Kent. Seven Hills was able to tap into new areas and how the campaign should be pitched by promoting East Kent's connectivity, good quality of life and good value.

- c) A Member suggested that more local businesses need to be encouraged to attend the events in East Kent.
- d) In reply to a question, Ms Cooper advised that all of the pledges were categorised and immediately followed up by Seven Hills.

Ms Cooper mentioned the City of Culture bid for 2017, as East Kent had come together to bid for this to become a "City of Culture", Seven Hills would be supporting the bid A meeting was due to be held on 22 January with cultural organisations to discuss how the bid would be written.

3. RESOLVED that:-

- a) the responses to comments and questions by Member be noted; and
- b) the progress with the Grow for It campaign and the proposed next steps outlined in paragraph 4 of the report.

54. Business Planning 2013/14 - Economic Development Unit Substantive Draft Plan
(Item D3)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

1. The Chairman invited the Director of Economic Development, Ms Cooper to introduce the report. Ms Cooper advised that the Key Performance Indicators would be refined and a report would be submitted to the next meeting of this Cabinet Committee.

2. Members raised the following points:

- a) In reply to a comment, Ms Cooper considered that the draft plan was as focused as it could be and there needed to be an assurance that the resources were in place to meet the plans.
- b) A comment was the Director of Economic Development needed to have flexibility and the ability to be able to react and make changes when necessary and keep Members informed. Ms Cooper concurred saying that there had already been of areas that the Team had to withdraw from as the total focus was on job creation.

- c) A comment was made that there appeared to be no structure around the skills base, apprenticeships etc within the county and Members would welcome guidance on what new skills were required for the new jobs generated in Kent.
- d) A request was made for the formula and trend indicators used to produce the number of jobs within the Business Plan.
- e) It was suggested that the links made on priorities with other portfolios should be strengthened. Ms Cooper gave examples of joint working that included the Culture and Sport Unit on the Capital Culture Bid, through environment and enterprise joint work was carried out on road transport links and with Education Learning and Skills on apprenticeships. Ms Cooper agreed to strengthen this in the Business Plan.

3. RESOLVED that:-

- a) the responses to comments and questions by Members be noted;
- b) the Directorate Risk Register set out in Appendix A in the report be noted; and
- c) the draft performance indicators in Section F of the draft business plans in Appendix B be noted.

55. Attracting Foreign Direct Investment into Kent

(Item D4)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

(Mr P Wookey, Chief Executive, Locate in Kent and Mr D Hughes, Head of Business Engagement and Economic Development were present for this item)

1. The Chairman invited Mr Wookey and Mr Hughes to introduce the report. The points raised included:-

- There had been evidence of new opportunities emerging in key overseas markets and the report puts forward proposals to seize those opportunities to put Kent in the forefront of investors' minds when considering a UK or European location.
- Kent was in a unique advantageous position in some of those key markets. The UK was seen as a safe haven in terms of the European market for a place to invest.
- Locate in Kent was already talking to a number of USA companies, and companies located in northern Europe that were looking at coming to the UK which gave Kent some unique opportunities. Kent Science Park and Discovery Park and others were unique assets.
- Kent also had an advantage through Expansion East Kent and TIGER to offer support to those companies which was important when talking to UK Trade and Investment who had offices all over the world. They would sell

the UK first not Kent. Kent had lost its overseas representation with the demise of SEEDA so Kent was now under represented in key overseas markets.

- Unless Kent was in those key markets selling what it had to offer it would not see a return in foreign investment. Locate in Kent was targeted by KCC to attract 28% of its project success from foreign direct investment.
- This was not a proposal to open offices all over the world. It was proposed that this be carried out in a targeted way with direct lead generation identifying those companies that had projects with investment proposals. It was also about contacting a large amount of people and companies within the market.
- The proposal was to target those markets where Kent's strengths play to its advantages. Kent's unique selling points were cost, connectivity proximity to markets and quality of life aspect.

2. The Chairman advised that this was not the first time this initiative had been discussed by Members of this Cabinet Committee as it was presented and discussed at the Budget Informal Member Group in November and met the approval of the Regeneration Board.

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

- a) In response to comments and questions, Mr Wookey gave assurances that this was a Kent wide initiative and not about one location. There would be no offices opened overseas. Locate in Kent would retain lead generating services in the USA whose job it would be to ensure that Kent's offer was put forward to those companies that had an investment requirement. There were fiscal measures that the American government had just introduced which gave the UK an advantage and there was encouragement to put our offer back to the companies in certain sectors such as medical devices. He agreed that the Paramount proposals offer a lot of opportunities and discussions had been held with UKTI who saw this as a great opportunity. Locate in Kent would retain a presence through part time representatives in the USA and in France. Their job would be to start delivering and producing a pipeline of enquiries which Locate in Kent would develop and work on. He was confident that the KPI's detailed within the report could be achieved over a three year period.
- b) It was suggested that in the short time more effort should be concentrated in France.
- c) It was suggested that there needed to be serious investment in this programme if it was going to be effective. Additional funding could be raised by redirecting funding from other less beneficial activities.
- d) In response to questions, Mr Dance gave his assurance that no Kent County Council Members would be travelling to the USA or Europe regarding this proposal. This would be led by Locate in Kent officers.
- e) In reply to a question, Mr Wookey advised that the potential to create 750 new jobs to Kent over the next three years was reached by looking at projects that were in the pipeline and whether representation could be put

into the market. This had been market tested with a number of companies that Locate in Kent would go out to tender.

- f) A request was made for the IBM report to be circulated to Members.
 - g) Mr Prater disagreed with the recommendation and made a formal request that this be recorded in the Minutes.
4. RESOLVED that the responses to comments and questions by Members and the proposals set out in the report be noted.

56. Regional Aid and Structural Funds Review

(Item D5)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

(Mr R Moys, Head of European Policy and Mr R Gill, Economic Strategy and Policy Manager, were present for this item)

1. The report set out two reviews undertaken at a similar timescale on Regional Aid and Structural Funds. The Head of European Policy, Mr Moys and the Economic Strategy and Policy Manager, Mr Gill raised the following points:-

Structural Funds

- Kent had secured £30 million in EU grants under the current programme period of 2007-2013. This had supported 60 projects in KCC and Kent, a number of which had related to economic development including; a future tourism event in March 2013, Visit Kent had secured projects from European funding eg the World Project which secured £1 million of EU grant.
- The current programme ends in 2013 therefore it was for Kent to be in a position to benefit from the new Structural Funds programme which would run from 2014-2020. The Commission's proposals suggested that Kent remained eligible for significant programmes; INTERREG Transnational programmes and the European Regional Development Fund Competitiveness Programme which at present was based on the former South East Region.
- Progress reports would be submitted to future meetings to this Cabinet Committee.

Regional Aid

- At the same time that the European Commission revised the Structural rules it had also changed the rules surrounding Regional Aid and assistance to business and consultation would take place shortly.
- The Regional Aid rules set the limits for the amount of public assistance that could be given to businesses through schemes such as Expansion East Kent and other public sector grant schemes. They also defined the geography that enabled certain areas to have higher thresholds for distributing various forms of public assistance.

- Kent benefitted from having Assisted Area Status for the whole of Thanet and the northern part of Dover, including Sandwich that enabled KCC to offer grant assistance to companies [SMEs and larger companies] in those areas at higher intervention rates than would otherwise be realised.
- There was a threat within the new process. The first stage of the European Commission's review would be the publication of the overall amount of the UK that would be eligible for Assisted Area Status. At present that was 24% of the country. It was predicted that the percentage would reduce to 23% which meant that there may be a challenge to keep the status in East Kent. Once the Commission's Aid Guidelines had been published it was anticipated that the UK government would consult on the criteria for designating assisted areas in mid 2013 and would publish a map for consultation thereafter.
- Kent's position would be to retain what it already had rather than adding to it with diminished funding overall, but it may be that the criteria could allow the County Council to look at other parts of Kent other than Dover and Thanet such as Shepway and Swale.

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

- a) A comment was made that this was a good new story and the report showed what could be achieved and that the County Council's sights should be set much higher. This work should be promoted because it was important for the future of Kent communities.
- b) It was considered that this would be the worst time to downgrade the International Policy Unit with KCC.
- c) A comment was made that there was a strong case for including the Isle of Sheppey in the Assisted Area Status especially in light of the closure of the Steel Works with the loss of 500 jobs.
- d) The status that Kent already had must not be lost by adding additional areas that need not be added.

3. RESOLVED that:-

- a) the responses to comments and questions by Members be noted;
- b) the current position on the review of Regional Aid and the Structural Funds be noted; and
- c) the issues raised in paragraphs 2.12 and 3.9 respectively in the report be noted.

57. Verbal Update by Director of Economic Development (Item D6)

1. The Chairman invited the Director of Economic Development, Ms Cooper to give her update which included the following:

- TIGER (Thames Gateway Innovation, Growth and Enterprise) programme – Following the report submitted to this Cabinet Committee at its last meeting a Key Decision to enable KCC to act as the accountable body for the programme and to enter into a formal grant agreement with the Government had been signed by the Cabinet Member for Regeneration and Economic Development. A conditional grant offer had now been received from the government. KCC was identified as an exemplar in how to organise an RGF Scheme. Work was now being undertaken on the detailed governance arrangements for the scheme. This would entail looking at who would sit on the Approval Panels which would be subject to a further Decision to be taken by the Cabinet Member for Regeneration and Economic Development.
- Continued work was being undertaken with each of the Districts on CIL and the negotiations about relative priorities. To date there had been meetings with Dover, Dartford, Ashford, Maidstone, Sevenoaks and Swale where there had been overwhelming cooperation and agreement.
- Broadband – Broadband was still out to tender and would close on 18 January.

2. The Chairman reminded Members that there was a visit to Produced in Kent being arranged for Friday, 1 March 2013.

3. RESOLVED that the information in the verbal update be noted with thanks.