

ECONOMIC DEVELOPMENT CABINET COMMITTEE

Friday, 14th June, 2013

10.00 am

**Council Chamber, Sessions House, County Hall,
Maidstone**





AGENDA

ECONOMIC DEVELOPMENT CABINET COMMITTEE

Friday, 14 June 2013, at 10.00 am
Council Chamber, Sessions House, County
Hall, Maidstone

Ask for: **Christine Singh**
Telephone: **01622 694334**

Tea/Coffee will be available 15 minutes before the start of the meeting

Membership (13)

- Conservative (8): Mr M A Wickham (Chairman), Mr M A C Balfour, Mr A H T Bowles, Miss S J Carey, Mr S Holden, Mr J A Kite, MBE, Mr G Lymer and Mr C Simkins
- UKIP (2): Mr R A Latchford, OBE and Mr F McKenna
- Labour (2) Mrs E D Rowbotham and Mr R Truelove
- Liberal Democrat (1): Mr R H Bird

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

Webcasting Notice

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A. COMMITTEE BUSINESS

- A1 Introduction/Webcasting
- A2 Substitutes
- A3 Election of Vice Chairman
- A4 Declarations of Members' Interest relating to items on today's Agenda

A5 Minutes of the meeting held on 6 March 2013 (Pages 1 - 8)

A6 Overview of Economic Development - Verbal

B. Key or Significant Cabinet/Cabinet Member Decision(s) for Recommendation or Endorsement

B1 Growing Places Fund Projects – Southfleet Road, Sturry Road, the Base and Discovery Park (Pages 9 - 30)

C. MONITORING PERFORMANCE

C1 2012-13 Business Plan Summary Monitor Report (Pages 31 - 34)

D. Other Items for Comment/Recommendation to the Leader/Cabinet or Officers

D1 Unlocking Kent's Potential: Developing a Growth Plan for Kent (Pages 35 - 40)

D2 School for Creative Start-ups Kent (Pages 41 - 46)

D3 Maximising Business Engagement (Pages 47 - 62)

D4 Theme/Visits for EDCC Members eg Visits to RGF Winners - Verbal

D5 Verbal Update by the Director of Economic Development

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
(01622) 694002

Thursday, 6 June 2013

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, 6 March 2013.

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

ALSO PRESENT: Mr M C Dance, Cabinet Member

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Mrs T Bruton (Head of Regeneration Projects), Ms E Harrison (Economic Development Officer), Mr R Gill (Economic Policy and Strategy Manager), Mr W Gough (Employment Programme Manager), Ms C McKenzie (Sustainability and Climate Change Manager), Mr M Blincow (Research and Development Manager) and Mrs C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

58. Minutes of the meeting held on 9 January 2013

(Item A4)

RESOLVED that the Minutes of the meeting held on 9 January 2013 are correctly recorded and that they be signed by the Chairman subject to the following wording being added to Minute 55 paragraph 3 "(g) Mr Prater disagreed with the recommendation and made a formal request that this be recorded in the Minutes" .

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

(Item C1)

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

(Ms B Cooper, Director of Economic Development was present for this item)

1. Ms Hansen, Finance Business Partner, sent her apologies. Ms Cooper introduced the report that detailed the second quarter's full budget monitoring report for 2012/13 as reported to the Cabinet on 3 December 2012 and the subsequent update to this position which was reported in the monitoring exception report to Cabinet on 23 January 2013.
2. RESOLVED that the revenue and capital forecast variances from budget for 2012/13 based on the last exception report be noted.

60. 'DIGITISING KENT': Maximising the benefits from the Kent and Medway BDUK project
(Item D1)

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

(Mrs E Harrison, Economic Development Manager, was present for this item)

1. Mrs Harrison introduced the report that set out the ambitions of the Kent and Medway BDUK Project of bringing Broadband to every premise across Kent and the development of a Digitising Kent Action plan to stimulate take up and utilisation of those new services.
2. Mrs Harrison noted Members comments and answered questions which included the following:
 - a) In reply to a question Mrs Harrison advised that she was unable to say when an announcement would be made on the work commencing this was dependent on factors which lay with BDUK.
 - b) It was suggested that the areas of Kent with the poorest Broadband service should be given priority. Ms Harrison confirmed that those were the areas that the Kent and Medway Broadband Project would be targeting.
 - c) In reply to a question Mrs Harrison advised that BDUK were being asked for examples of best practise in supporting SME's take up and optimise the availability of better broadband services.
3. RESOLVED that the responses to questions by Members and the information in the report be noted with thanks.

61. Unlocking Kent's Potential - Kent's Strategy for Growth
(Item D2)

(Report by Mark Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

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

1. Mr Gill introduced the report that outlined the general brief for the preparation of the new document "Unlocking Kent's Potential" and the timescales for its production.
2. RESOLVED that the work underway to prepare *Unlocking Kent's Potential* and its links with the development of the growth strategy being taken forward by the South East Local Enterprise Partnership; and the major themes that the revised strategy should contain be noted.

62. Economic Growth on Romney Marsh

(Item D3)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

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

1. Mr Gill introduced the six month progress report that was requested by Members on the development of a strategic approach to regeneration and economic growth on Romney Marsh in particular the work currently underway to secure additional economic development investment from the Nuclear Decommissioning Authority and a planned business event in March 2013.
2. Mr Gill noted comments and responded to questions by Members which included the following:
 - a) The Local Member, Mrs Waters advised that the proposal for Dungeness C was not supported by the Government and with the decommissioning of Dungeness nuclear power station A and B focus was needed to create and secure jobs especially for youngsters.
 - b) In reply to a question regarding funding, Mr Gill advised that there was no formal date for the Magnox decision. The proposal would be submitted to the Magnox Executive Board on 21 March.
 - c) In response to a question, Mr Gill said that there was no reason why young people starting a business could not apply for the funding.
3. RESOLVED that the efforts underway to identify alternative sources of employment on Romney Marsh, including the business event proposed for 15 March 2013 and the report be noted.

63. Kent and Medway Green Deal Partnership

(Item D4)

(Report by Mark Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

(Ms C McKenzie, Programmes and Partnerships Manager, was present for this item)

1. Ms McKenzie introduced the report on the progress on the housing retrofit activities of the Kent and Medway Green Deal Partnership and proposed next steps.
2. In reply to a question, Ms McKenzie advised that there was no risk to the applicant with the Green Deal as the ECO funding paid for the measures to the homes and it was anticipated that the cost would be covered by the ECO Provider.
3. RESOLVED that the progress and actions taken on the Kent and Medway Green Deal Partnership be noted.

64. Raising Participation Age (RPA)

(Item D5)

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

(Mr M Blincow, Research and Development Manager, was present for this item)

1. Mr Blincow introduced the report that set out the current position of the Raising Participation Age (RPA) which takes effect from the last day of the academic year in 2013 and the work being undertaken by the Skills and Employability Service.
2. Mr Blincow noted comments by Members and responded to questions which included the following:
 - a) There was concern raised about choices available and promoted to young people who are not academic and employers preferring to recruit someone over 18 years old.
 - b) Members noted that voluntary work counted as participation.
 - c) There was particular concern for the NEETs cohort who needed encouragement and given self belief before they entered back into training and who would deliver this. Mr Blincow advised that work was being undertaken on how to best support those most vulnerable young people.
 - d) Members suggested that this was not only about young people acquiring academic qualifications but a work ethic and work experience.
3. RESOLVED that the responses to questions by Members and the information in the report be noted with thanks.

65. Proposed Extension to Service Level Agreements for Visit Kent and Locate in Kent for the period April 2013 - March 2014

(Item D6)

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

(Mr W Gough, Economic Development Manager, was present for this item)

1. Mr Gough introduced the report which advised that the Service Level Agreements with Locate in Kent and Visit Kent expired on 31 March and reflected the changing and independent nature of Locate in Kent and Visit Kent and KCC's need to reconsider the most appropriate method of continuing to fund those organisations in the future.
2. RESOLVED that the extension of the existing Service Level Agreements for 1 year, whilst KCC establishes the most appropriate method for securing Inward investment services, and Destination Management services be noted.

66. Economic Development Unit 2013/14 Business Plan

(Item D7)

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

(Ms B Cooper, Director of Economic Development, was present for this item)

1. Ms Cooper introduced the report which was produced following a request by Cabinet Committee at its January meeting on how performance indicators figures had been determined and for the final business plan to be strengthened with reference to cross cutting activity links to other Directorate.
2. Ms Cooper noted the comments by Members and responded to questions which included:
 - a) In reply to a question, Mrs Cooper explained that the figure of 40% used in the “discounting factor” was used by PricewaterhouseCooper and others who had significant experience of this when more than one agency was involved in creating jobs. This method would be used for setting the jobs target. Officers would also be collating job creation data from the individual agencies eg Locate in Kent, Visit Kent etc and cross referencing that data to check against the target figure to produce an accurate number of jobs created in Kent.
3. RESOLVED that:
 - a) the responses to questions by Members be noted; and
 - b) the proposed approach to assessing and reporting performance indicators and the area of cross- cutting activity in paragraph 3.2 of the report be noted.

67. Produced in Kent - Feedback from Member Visits

(Item D8)

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

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

1. Mrs Bruton introduced the report which outlined the visit by Members of this Cabinet Committee to a number of Produced in Kent (PinK) member businesses on Friday, 1 March 2013.
2. Mrs Bruton advised that some of the key points raised by the Produced in Kent member businesses included the following:

- Difficulty in accessing funding – There was an appreciation of the support given by Produced in Kent with this area.
- There were more young people interested in accessing this sector for a career.
- There had been growth in some of the businesses through diversifying.
- Produced in Kent gave the local businesses the opportunity to share employees, especially those who were part time workers and expertise.

3. Mrs Bruton noted comments and responded to questions by Members which included the following:

- a) The benefits of being a Member of Produced in Kent were applauded especially the help to SMEs in setting up websites, labelling etc.
- b) In reply to a question, Mrs Bruton advised that Mr Edwyn Martin, Manager, PinK, would be looking at setting up a website for SMEs that were Produced in Kent (PinK) members so that their goods could be obtained online from a collective Kent base supplier.
- c) In response to a question, Mrs Bruton suggested that the survival of the poorer quality Farmers markets would be down to people “voting with there feet”.
- d) Businesses needed to be made aware of the KCCs Apprenticeship scheme, Leader programme.
- e) Members noted that Produced in Kent was primarily aimed at producers of food and drink but there were also businesses in craft and there was no intention to extend that remit.

4. The Cabinet Member, Mr Dance, advised that Visit Kent, Locate in Kent and Produced in Kent working closely together would be written into their future agreements.

5. RESOLVED that:

- a) the responses to questions by Members and the report be noted; and
- b) Mr Edwyn Martin, Manager, Produced in Kent, be invited to a future meeting of the Cabinet Committee.

68. Verbal Update by Director of Economic Development

(Item D9)

1. The Chairman invited the Director of Economic Development, Ms Cooper to give her verbal update. The points highlighted included:

- “Grow for it” – There was a successful launch at the London Stock Exchange when the Leader, Mr Carter was invited to open the day’s session by ringing the bell. This event was supported by representatives from both the media, businesses and MPs.
- The Games Expo East Kent “GEEK” was successfully held at the Winter Gardens, Margate which raised the importance of digital, with 60 businesses represented to discuss their needs which included, collaboration and networking.

- TIGER - The launch would be on 21 March at Princes Park, Dartford. The District Councils would hold individual launches too. Application process will be open from 8 April.
- A National Tourism Conference would be held in Dover on 20th March, which was being promoted as part of the “English Tourism Week” which all Members had been invited to attend.
- RGF 4 bid was being prepared for further financial assistance for local businesses. Ms Cooper warned that this bid would have an outside chance of success. The bid needed to be submitted by 20 March

2. Ms Cooper took the opportunity to thank the Cabinet Committee and the former Regeneration and Economic Development Committee Members for the support given to the staff of the Economic Development Unit.

3. RESOLVED that the responses to comments and questions by Members and the information given in the verbal update be noted, with thanks.

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By: Mark Dance
Cabinet Member for Regeneration and Economic Development

Barbara Cooper
Director, Economic Development

To: Economic Development Cabinet Committee

14 June 2013

Subject: GROWING PLACES FUND

Classification: Unrestricted

Summary:

Growing Places Fund provides loan finance via Local Enterprise Partnerships to bring forward infrastructure where this will unlock homes and jobs. Subject to final appraisal, the South East LEP has allocated £6 million to support projects in Kent.

Final appraisals for four Kent projects have been completed:

- a) Discovery Park Enterprise Zone, Sandwich for up to £8 million over five years for a rolling programme of capital investment
- b) Southfleet Road, Ebbsfleet for up to £4 million to bring forward improvements to Southfleet Road
- c) Sturry Road, Canterbury for up to £629,000 to bring forward a commercial site at Sturry Road, Canterbury
- d) The Base Phase 2 for £2.95 million to deliver the second phase of The Base incubator and business centre at Dartford.

The Cabinet Committee is asked to CONSIDER and ENDORSE the projects summarised above.

Details of each project are in Appendix A

Report author:

Ross Gill
Economic Strategy & Policy Manager
01622 221312
07837 872705
Ross.gill@kent.gov.uk

Supporting documents:

Economic Development Committee Report: Growing places fund 2012

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TEMPLATE FOR ENTRY TO FORWARD PLAN OF KEY DECISIONS

Responsible Cabinet Member – Mark Dance, Cabinet Member for Regeneration and Economic Development

Reference No:

Key **YES**

Section 1 – the decision needed, how it relates to Bold Steps for Kent (BS4K) and the Corporate Objectives of the Council/ What is the impact, costs and risks involved. With this proposed decision.

Title:

Discovery Park Enterprise Zone, Sandwich: Decision to enter credit agreement to secure Growing Places Fund investment

The Decision needed: (The title of the decision or narrative of the decision needs to be self explanatory so it is clear what the decision is being sought)

Decision

A Decision is required such that, subject to due diligence, Kent County Council shall agree to enter into credit agreements to secure investment from the Growing Places Fund to deliver a programme of capital investment at Discovery Park Enterprise Zone, Sandwich.

Background

Growing Places Fund (GPF) is a Government scheme which provides loan finance to unlock development sites where these will create new jobs and homes. In the South East, the Fund is administered by the South East Local Enterprise Partnership (LEP), for which Essex County Council acts as the accountable body.

Following a call for projects and appraisal, the LEP has given indicative approval to allocate up to £8 million over five years for a rolling programme of capital investment.

In order to secure this funding, it is proposed that:

- a) KCC will enter into a credit agreement with Essex County Council to draw down the GPF funding; and
- b) KCC will seek to enter into a series of annual subordinate credit agreement with Discovery Park Ltd (the owners of Discovery Park).

In addition, KCC will enter into an agreement with the Homes and Communities Agency, which owns the freehold of the site, to enable the development to proceed.

This shall be subject to final due diligence.

How the decision relates to BS4K and Corporate Objectives

This Decision contributes to delivery of the following Delivering Bold Steps priorities:

- Priority 8: Respond to key regeneration challenges, working with our partners. This specifically prioritises actions to unlock key sites, where these will lead to

jobs and housing

Impact/costs and risks of proposed decision

Impact

The proposed Decision will mean that KCC will be able to draw down Growing Places Fund investment of up to £8 million. It is anticipated that this will contribute to the safeguarding of up to 2,000 jobs at Discovery Park by supporting the Enterprise Zone's continued viability and attractiveness to investors.

Risks

GPF funding is repayable. The primary risk is that KCC will be liable to repay the GPF loan to the Accountable Body, even if Discovery Park Ltd is unable to repay. This will be mitigated through due diligence, the robust drafting of the credit agreements, and project monitoring.

Costs

There will be some costs to KCC in managing the credit agreement. These will be recovered through interest payments and/ or through recharges to the central GPF fund, with costs and recovery mechanisms considered in development of the credit agreement.

Section 2 – Who is taking the final decision and when

Who is taking the Decision

Mark Dance, Cabinet Member for Regeneration and Economic Development

Date:

July 2013

If Key Decision - reason (see note on what constitutes a Key Decision)

This Decision is a Key Decision as it involves KCC entering into expenditure of over £1 million.

Reason if this decision has been delayed/withdrawn from a previous plan

Not applicable

Notify all Members of the Council

Yes

Section 3 – Who is to be consulted? If no please provide reasons?

Please state if there are any additional legal requirements to consult other than those stated in the Local Government Act 1999 - Best Value Duty.

There are no additional legal consultation requirements.

Aims and level(s) of consultation (*KCC consultation levels attached*)

KCC has taken the advice of the members of the South East Local Enterprise

Partnership Board, who have been involved to Level 3 (Make Choices).

Key consultee groups

South East Local Enterprise Board members (including business representatives and local authority leaders).

In addition, Dover District Council has been consulted as part of the project appraisal process.

Start and finish dates of consultation.

Summer 2012 – March 2013

Equalities Impact Assessment included in the consultation documentation. Please state where this can be found.

No – an Equalities Impact Assessment has not yet been prepared. It is anticipated that there will be few equalities impacts arising from this Decision. However, there may be combined impacts arising from the series of proposed Decisions to enter into credit agreements for GPF for a number of projects. It is therefore proposed that a single Equalities Impact Assessment will be undertaken for all related Decisions prior to the proposed Decision for this project being taken.

Date of publication of consultation outcomes and updated Equalities Impact Assessment

There is no separate consultation outcomes report. However, the discussion at the South East LEP Board has been published at www.southeastlep.com.

Informing Only (Who and when)

Not applicable.

Has the matter already been discussed by a Cabinet Committee? If not when will be it discussed by the Cabinet Committee and the date of the meeting

Yes. KCC's approach to Growing Places Fund has been discussed by the Economic Development Cabinet Committee on 5 July 2012 and 21 September 2012 (although these discussions did not include the specific allocation of GPF investment to Discovery Park).

In addition, the proposed Decision will be discussed by ED Cabinet Committee on 14 June.

Is the matter referred to in your Business Plan or Medium Term Capital Programme?

Yes – Growing Places Fund investment is referred to in Economic Development Unit Divisional Business Plan 2013/14

Which Members and electoral Divisions are affected by this proposed decision? Is it All Members?

The development is located in Sandwich (Leyland Ridings). However, as the development of the Enterprise Zone is of strategic importance, all Members in East Kent may be affected by the Decision.

Section 4 – Responsible Officer – Who to contact for more information.

Your name, Your Service, Your phone number and email address:

Ross Gill
Economic Strategy and Policy Manager
Economic and Spatial Development
01622 221312
07837 872705
Ross.gill@kent.gov.uk

Support documents

None

TEMPLATE FOR ENTRY TO FORWARD PLAN OF KEY DECISIONS

Responsible Cabinet Member – Mark Dance, Cabinet Member for Regeneration and Economic Development

Reference No:

Key **YES**

Section 1 – the decision needed, how it relates to Bold Steps for Kent (BS4K) and the Corporate Objectives of the Council/ What is the impact, costs and risks involved. With this proposed decision.

Title:

Southfleet Road, Ebbsfleet: Decision to enter credit agreement to secure Growing Places Fund investment

The Decision needed: (The title of the decision or narrative of the decision needs to be self explanatory so it is clear what the decision is being sought)

Decision

A Decision is required such that, subject to due diligence, Kent County Council shall agree to enter into credit agreements to secure investment from the Growing Places Fund to deliver improvements to Southfleet Road. This will help to unlock development at Eastern Quarry and provide access to the commercial development area at Station Quarter North.

Background

Growing Places Fund (GPF) is a Government scheme which provides loan finance to unlock development sites where these will create new jobs and homes. In the South East, the Fund is administered by the South East Local Enterprise Partnership (LEP), for which Essex County Council acts as the accountable body.

Following a call for projects and appraisal, the LEP has given indicative approval to allocate up to £4 million to bring forward improvements to Southfleet Road.

In order to secure this funding, it is proposed that KCC will enter into:

- a) A credit agreement with Essex County Council to draw down the GPF funding; and
- b) A subsidiary credit agreement with Land Securities Eastern Quarry Ltd, who will deliver the scheme.

This shall be subject to final due diligence.

How the decision relates to BS4K and Corporate Objectives

This Decision contributes to delivery of the following Delivering Bold Steps priorities:

- Priority 8: Respond to key regeneration challenges, working with our partners. This specifically prioritises actions to unlock key sites, where these will lead to jobs and housing
- Priority 9: Support new housing growth that is affordable, sustainable and with the appropriate infrastructure

Impact/costs and risks of proposed decision

Impact

The proposed Decision will mean that KCC will be able to draw down Growing Places Fund investment of up to £4 million. It is anticipated that this will unlock 1,500 homes at Eastern Quarry by 2020, and will also support the development of the Station Quarter North strategic employment site.

Risks

GPF funding is repayable. The primary risk is that KCC will be liable to repay the GPF loan to the Accountable Body, even if the private sector organisation is unable to repay the subordinate loan to KCC. This will be mitigated through due diligence, the robust drafting of the credit agreements, and project monitoring.

State Aid risks will be mitigated through the charging of an appropriate rate of interest, with all repayments (less costs to KCC) repaid to the GPF fund.

Costs

There will be some costs to KCC in managing the credit agreement. These will be recovered through interest payments and/ or through recharges to the central GPF fund, with costs and recovery mechanisms considered in development of the credit agreement.

Section 2 – Who is taking the final decision and when

Who is taking the Decision

Mark Dance, Cabinet Member for Regeneration and Economic Development

Date:

July 2013

If Key Decision - reason (see note on what constitutes a Key Decision)

This Decision is a Key Decision as it involves KCC entering into expenditure of over £1 million.

Reason if this decision has been delayed/withdrawn from a previous plan

Not applicable

Notify all Members of the Council

Yes

Section 3 – Who is to be consulted? If no please provide reasons?

Please state if there are any additional legal requirements to consult other than those stated in the Local Government Act 1999 - Best Value Duty.

There are no additional legal consultation requirements.

Aims and level(s) of consultation (*KCC consultation levels attached*)

KCC has taken the advice of the members of the South East Local Enterprise Partnership Board, who have been involved to Level 3 (Make Choices).

Key consultee groups

South East Local Enterprise Board members (including business representatives and local authority leaders).

In addition, Dartford Borough Council has been consulted as part of the project appraisal process.

Start and finish dates of consultation.

Summer 2012 – March 2013

Equalities Impact Assessment included in the consultation documentation. Please state where this can be found.

No – an Equalities Impact Assessment has not yet been prepared. It is anticipated that there will be few equalities impacts arising from this Decision. However, there may be combined impacts arising from the series of proposed Decisions to enter into credit agreements for GPF for a number of projects. It is therefore proposed that a single Equalities Impact Assessment will be undertaken for all related Decisions prior to the proposed Decision for this project being taken.

Date of publication of consultation outcomes and updated Equalities Impact Assessment

There is no separate consultation outcomes report. However, the discussion at the South East LEP Board has been published at www.southeastlep.com.

Informing Only (Who and when)

Not applicable.

Has the matter already been discussed by a Cabinet Committee? If not when will be it discussed by the Cabinet Committee and the date of the meeting

Yes. KCC's approach to Growing Places Fund has been discussed by the Economic Development Cabinet Committee on 5 July 2012 and 21 September 2012.

In addition, the proposed Decision will be discussed by ED Cabinet Committee on 14 June.

Is the matter referred to in your Business Plan or Medium Term Capital Programme?

Yes – Growing Places Fund investment is referred to in Economic Development Unit Divisional Business Plan 2013/14

Which Members and electoral Divisions are affected by this proposed decision? Is it All Members?

The development is located in Dartford Rural (Jeremy Kite).

Given that the project will have an impact on the pace of delivery at Eastern Quarry and Ebbsfleet, both of which are of strategic importance, this proposal may also affect Members for all divisions in Dartford and Gravesham.

Section 4 – Responsible Officer – Who to contact for more information.

Your name, Your Service, Your phone number and email address:

Ross Gill
Economic Strategy and Policy Manager
Economic and Spatial Development
01622 221312
07837 872705
Ross.gill@kent.gov.uk

Support documents

None

TEMPLATE FOR ENTRY TO FORWARD PLAN OF KEY DECISIONS

Responsible Cabinet Member – Mark Dance, Cabinet Member for Regeneration and Economic Development

Reference No:

Key **YES**

Section 1 – the decision needed, how it relates to Bold Steps for Kent (BS4K) and the Corporate Objectives of the Council/ What is the impact, costs and risks involved. With this proposed decision.

Title:

Sturry Road, Canterbury: Decision to enter credit agreement to secure Growing Places Fund investment

The Decision needed: (The title of the decision or narrative of the decision needs to be self explanatory so it is clear what the decision is being sought)

Decision

A Decision is required such that, subject to due diligence, Kent County Council shall agree to enter into credit agreements to secure investment from the Growing Places Fund to deliver commercial development at Sturry Road, Canterbury.

Background

Growing Places Fund (GPF) is a Government scheme which provides loan finance to unlock development sites where these will create new jobs and homes. In the South East, the Fund is administered by the South East Local Enterprise Partnership (LEP), for which Essex County Council acts as the accountable body.

Following a call for projects and appraisal, the LEP has given indicative approval to allocate up to £629,000 to bring forward a commercial site at Sturry Road, Canterbury.

In order to secure this funding, it is proposed that KCC will enter into:

- a) A credit agreement with Essex County Council to draw down the GPF funding; and
- b) A subsidiary credit agreement with the private sector owners of the development.

This shall be subject to final due diligence.

How the decision relates to BS4K and Corporate Objectives

This Decision contributes to delivery of the following Delivering Bold Steps priorities:

- Priority 8: Respond to key regeneration challenges, working with our partners. This specifically prioritises actions to unlock key sites, where these will lead to jobs and housing

Impact/costs and risks of proposed decision

Impact

The proposed Decision will mean that KCC will be able to draw down Growing Places Fund investment of up to £629,000. It is anticipated that this will unlock 4,000 sq m commercial floorspace and facilitate the creation of 40 jobs (gross) by 2015.

Risks

GPF funding is repayable. The primary risk is that KCC will be liable to repay the GPF loan to the Accountable Body, even if the private sector organisation is unable to repay the subordinate loan to KCC. This will be mitigated through due diligence, the robust drafting of the credit agreements, and project monitoring.

State Aid risks will be mitigated through the charging of an appropriate rate of interest, with all repayments (less costs to KCC) repaid to the GPF fund.

Costs

There will be some costs to KCC in managing the credit agreement. These will be recovered through interest payments and/ or through recharges to the central GPF fund, with costs and recovery mechanisms considered in development of the credit agreement.

Section 2 – Who is taking the final decision and when

Who is taking the Decision

Mark Dance, Cabinet Member for Regeneration and Economic Development

Date:

July 2013

If Key Decision - reason (see note on what constitutes a Key Decision)

Technically, this Decision does not constitute a Key Decision. However, it is proposed that it is taken alongside a number of other Decisions to enter into agreements to draw down Growing Places Fund. Cumulatively, these will incur expenditure of over £1 million and result in impacts on two or more electoral wards.

Reason if this decision has been delayed/withdrawn from a previous plan

Not applicable

Notify all Members of the Council

Yes

Section 3 – Who is to be consulted? If no please provide reasons?

Please state if there are any additional legal requirements to consult other than those stated in the Local Government Act 1999 - Best Value Duty.

There are no additional legal consultation requirements.

Aims and level(s) of consultation (*KCC consultation levels attached*)

KCC has taken the advice of the members of the South East Local Enterprise Partnership Board, who have been involved to Level 3 (Make Choices).

Key consultee groups

South East Local Enterprise Board members (including business representatives and local authority leaders).

In addition, Canterbury City Council has been consulted as part of the project appraisal process.

Start and finish dates of consultation.

Summer 2012 – March 2013

Equalities Impact Assessment included in the consultation documentation. Please state where this can be found.

No – an Equalities Impact Assessment has not yet been prepared. It is anticipated that there will be few equalities impacts arising from this Decision. However, there may be combined impacts arising from the series of proposed Decisions to enter into credit agreements for GPF for a number of projects. It is therefore proposed that a single Equalities Impact Assessment will be undertaken for all related Decisions prior to the proposed Decision for this project being taken.

Date of publication of consultation outcomes and updated Equalities Impact Assessment

There is no separate consultation outcomes report. However, the discussion at the East LEP Board has been published at www.southeastlep.com.

Informing Only (Who and when)

Not applicable.

Has the matter already been discussed by a Cabinet Committee? If not when will be it discussed by the Cabinet Committee and the date of the meeting

Yes. KCC's approach to Growing Places Fund has been discussed by the Economic Development Cabinet Committee on 5 July 2012 and 21 September 2012.

In addition, the proposed Decision will be discussed by ED Cabinet Committee on 14 June.

Is the matter referred to in your Business Plan or Medium Term Capital Programme?

Yes – Referred to in Economic Development Unit Divisional Business Plan 2013/14

Which Members and electoral Divisions are affected by this proposed decision? Is it All Members?

The development is located in on the boundary of Canterbury City North East (Graham Gibbens) and Herne and Sturry (Alan Marsh).

There may also be some impacts elsewhere in Canterbury (Canterbury West (John Simmonds), Canterbury City South East (Michael Northey), Canterbury City South

West (Martin Vye)).

Section 4 – Responsible Officer – Who to contact for more information.

Your name, Your Service, Your phone number and email address:

Ross Gill
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Economic and Spatial Development
01622 221312
07837 872705
Ross.gill@kent.gov.uk

Support documents

None

TEMPLATE FOR ENTRY TO FORWARD PLAN OF KEY DECISIONS

Responsible Cabinet Member – Mark Dance, Cabinet Member for Regeneration and Economic Development

Reference No:

Key **YES**

Section 1 – the decision needed, how it relates to Bold Steps for Kent (BS4K) and the Corporate Objectives of the Council/ What is the impact, costs and risks involved. With this proposed decision.

Title:

The Base Phase 2, Dartford: Decision to enter credit agreement to secure Growing Places Fund investment

The Decision needed: (The title of the decision or narrative of the decision needs to be self explanatory so it is clear what the decision is being sought)

Decision

A Decision is required such that, subject to due diligence, Kent County Council shall agree to enter into credit agreements to secure investment from the Growing Places Fund to deliver the second phase of The Base incubator and business centre at Dartford.

Background

Growing Places Fund (GPF) is a Government scheme which provides loan finance to unlock development sites where these will create new jobs and homes. In the South East, the Fund is administered by the South East Local Enterprise Partnership (LEP), for which Essex County Council acts as the accountable body.

Following a call for projects and appraisal, the LEP has given indicative approval to allocate up to £2.95 million to deliver Phase 2 of The Base.

In order to secure this funding, it is proposed that KCC will enter into a credit agreement with Essex County Council to draw down the GPF funding.

In addition, KCC will enter into an agreement with the Homes and Communities Agency, which owns the freehold of the site, to enable the development to proceed.

This shall be subject to final due diligence.

How the decision relates to BS4K and Corporate Objectives

This Decision contributes to delivery of the following Delivering Bold Steps priorities:

- Priority 8: Respond to key regeneration challenges, working with our partners. This specifically prioritises actions to unlock key sites, where these will lead to jobs and housing

Impact/costs and risks of proposed decision

Impact

The proposed Decision will mean that KCC will be able to draw down Growing Places Fund investment of up to £2.95 million. It is anticipated that this will deliver 108 jobs (gross).

Risks

GPF funding is repayable. The primary risk is that KCC will be liable to repay the GPF loan to the Accountable Body, even if rental incomes from the completed scheme or the capital receipt from the scheme on its eventual sale are less than anticipated. This will be mitigated through due diligence, the robust drafting of the credit agreements, and project monitoring.

Costs

There will be some costs to KCC in managing the credit agreement. These will be recovered through interest payments and/ or through recharges to the central GPF fund, with costs and recovery mechanisms considered in development of the credit agreement.

Section 2 – Who is taking the final decision and when

Who is taking the Decision

Mark Dance, Cabinet Member for Regeneration and Economic Development

Date:

July 2013

If Key Decision - reason (see note on what constitutes a Key Decision)

This Decision is a Key Decision as it involves KCC entering into expenditure of over £1 million.

Reason if this decision has been delayed/withdrawn from a previous plan

Not applicable

Notify all Members of the Council

Yes

Section 3 – Who is to be consulted? If no please provide reasons?

Please state if there are any additional legal requirements to consult other than those stated in the Local Government Act 1999 - Best Value Duty.

There are no additional legal consultation requirements.

Aims and level(s) of consultation (*KCC consultation levels attached*)

KCC has taken the advice of the members of the South East Local Enterprise Partnership Board, who have been involved to Level 3 (Make Choices).

Key consultee groups

South East Local Enterprise Board members (including business representatives and

local authority leaders).

In addition, Dartford Borough Council has been consulted as part of the project appraisal process.

Start and finish dates of consultation.

Summer 2012 – March 2013

Equalities Impact Assessment included in the consultation documentation. Please state where this can be found.

No – an Equalities Impact Assessment has not yet been prepared. It is anticipated that there will be few equalities impacts arising from this Decision. However, there may be combined impacts arising from the series of proposed Decisions to enter into credit agreements for GPF for a number of projects. It is therefore proposed that a single Equalities Impact Assessment will be undertaken for all related Decisions prior to the proposed Decision for this project being taken.

Date of publication of consultation outcomes and updated Equalities Impact Assessment

There is no separate consultation outcomes report. However, the discussion at the South East LEP Board has been published at www.southeastlep.com.

Informing Only (Who and when)

Not applicable.

Has the matter already been discussed by a Cabinet Committee? If not when will be it discussed by the Cabinet Committee and the date of the meeting

Yes. KCC's approach to Growing Places Fund has been discussed by the Economic Development Cabinet Committee on 5 July 2012 and 21 September 2012.

In addition, the proposed Decision will be discussed by ED Cabinet Committee on 14 June.

Is the matter referred to in your Business Plan or Medium Term Capital Programme?

Yes – Growing Places Fund investment is referred to in Economic Development Unit Divisional Business Plan 2013/14

Which Members and electoral Divisions are affected by this proposed decision? Is it All Members?

The development is located in Dartford West (Jan Ozog).

Section 4 – Responsible Officer – Who to contact for more information.

Your name, Your Service, Your phone number and email address:

Ross Gill
Economic Strategy and Policy Manager

Economic and Spatial Development

01622 221312

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Support documents

None

By: Mark Dance
Cabinet Member for Regeneration and Economic Development

Barbara Cooper
Director, Economic Development

To: Economic Development Cabinet Committee

5 July 2012

Subject: GROWING PLACES FUND

Classification: Unrestricted

Summary:

Growing Places Fund provides loan finance via Local Enterprise Partnerships to bring forward infrastructure where this will unlock homes and jobs. Subject to final appraisal, the South East LEP has allocated £16 million to support projects in Kent.

In order to draw down this funding, KCC will need to enter into a credit agreement with Essex County Council as the accountable body for the LEP. This will require a Key Decision to be taken, and this has been notified in the Forward Plan to take place in August. However, in preparation for this, work is underway to complete final appraisal on all the Kent projects and ensure that the draft credit agreement minimises the risks to KCC.

This report sets out:

- a) The background to the Growing Places Fund and the projects to which funding has been allocated;
- b) The work that is currently underway to appraise the Kent projects and to consider the draft credit agreement;
- c) Proposed arrangements for monitoring the delivery of the Kent Growing Places Fund projects and the repayment of loans to the overall Fund.

The Cabinet Committee is recommended to note the contents of this report.

1. Introduction: Growing Places Fund

- 1.1. The Growing Places Fund (GPF) was launched by the Government in late 2011. £500 million has been made available in an initial tranche, which has been allocated to Local Enterprise Partnership areas on a formula basis. This means that the South East LEP (covering Kent, Essex and East Sussex) has received £32.5 million.

- 1.2. Formally, GPF is unringfenced capital grant. However, the Government's intention is that it should be used to create local recyclable funds which can provide funding for infrastructure where this will unlock jobs and housing.
- 1.3. To deliver GPF locally, the South East LEP Board agreed in December that:
 - a) Essex County Council shall act as the accountable body for the overall South East allocation (as the LEP is an informal partnership, it cannot itself receive grants);
 - b) The £32.5 million allocated to the LEP area shall be treated as a single fund, recycled over time;
 - c) However, to minimise the risk to the accountable body, and to maximise local control, individual loan agreements will be entered into between Essex County Council as accountable body and the relevant upper-tier authority. This will mean that subsidiary agreements will be required where projects are being delivered via third parties.
- 1.4. The full amount of GPF funding has now been provided by Government and is currently held in an interest-bearing account with Essex County Council (with all interest accruing to the Fund).

2. Growing Places Fund projects

- 2.1. Following a call for projects in January, the LEP Board decided in March to allocate funding to the following schemes:
 - **Dartford Northern Gateway:** Development of business incubator space, delivering an estimated 100 jobs. Indicative GPF allocation: £2.5 million
 - **Dartford Town Centre:** Demolition of the former Co-op store to allow for the relocation of Dartford Borough Council's offices and the eventual redevelopment of Station Quarter. Delivers 120 jobs and 37 homes. Indicative GPF allocation: £900,000
 - **Ebbsfleet Valley:** Improvement works to Southfleet Road, opening up access to Eastern Quarry and Station Quarter North, ultimately unlocking 1,500 homes. Indicative GPF allocation: £4 million
 - **A28/ Matalan Roundabout:** Highway improvements at Great Chart, Ashford, opening up employment and housing opportunities at Chilmington Green and directly releasing 2,300 homes. Indicative GPF allocation: £3.6 million
 - **Live Margate:** Contribution to housing market renewal programme in Margate and Cliftonville, delivering 275 homes. Indicative GPF allocation: £5 million.
- 2.2. This means a total of £16 million available to projects across Kent, which is just under half of the amount available throughout the LEP area, representing a generally good deal for Kent.

3. Taking the projects forward

- 3.1. The indicative allocations to individual projects have been made on the basis of initial appraisals considering strategic fit with the goals of the LEP, deliverability within the next three years, housing and job outputs and ability to repay. However, all allocations have been made subject to the completion of full appraisal to the satisfaction of both the borrowing authority (Kent County Council) and the accountable body for the Fund overall (Essex County Council).
- 3.2. All projects are currently undergoing **full appraisal** to a standard format agreed with the LEP. KCC has appointed DTZ to support the appraisal of the five Kent projects. In particular, DTZ have been asked to sign off all appraisals to confirm that they have been satisfactorily completed to Treasury standards and to reach assurance that loan repayment conditions will be met. It is intended that all appraisals will be complete by week beginning 9 July.
- 3.3. Once completed, all appraisals will be considered by the accountable body as part of the accountable body's due diligence process.
- 3.4. Meanwhile, a draft **credit agreement** has been drawn up between Essex County Council (as the accountable body) and the upper-tier borrowing authorities. This is currently being considered by KCC Legal. Once agreed, it is anticipated that KCC's credit agreement with Essex County Council will form the basis for subsidiary loan agreements between KCC as the primary borrower and individual project delivery organisations (such as developers) where appropriate.
- 3.5. Following the conclusion of all project appraisals and the finalisation of the primary credit agreement and subsidiary loan agreements, a further report will be prepared recommending that KCC enters into a series of agreements with Essex County Council to draw down GPF funding. This will form the basis for the **Key Decision**, scheduled in the Forward Plan to be taken in August by the Cabinet Member for Regeneration and Economic Development.
- 3.6. In borrowing GPF funds, KCC will be incurring risk. The nature of this risk will depend on the individual projects and will be fully considered in the appraisal process and within the Key Decision report. However, the key risk to KCC is that the GPF loan will not be repaid by the subsidiary borrower, although KCC will remain responsible to the accountable body for repayment to the Fund. Passing on the conditions within the standard credit agreement to subsidiary borrowers will mitigate against this risk.

4. Management and monitoring

- 4.1. Management of loan issuance and repayment and the monitoring of outputs will be undertaken by the Economic Development division and a programme manager will be appointed to liaise with individual projects and with the accountable body. The costs of this will be covered from existing resources.

4.2. The performance of the Kent projects will be reported regularly to Cabinet Committee. It is not envisaged that the LEP will have a role in the day-to-day monitoring of GPF performance, although the LEP Board will maintain a strategic overview of the Fund overall.

5. Future GPF allocations

5.1. Since March, a second tranche of approximately £15.9 million in GPF funding has been awarded to the South East LEP area. This has not yet been allocated to projects, although the LEP Board will consider at its next meeting on 22 June how a further call for projects should be managed.

6. Recommendations

6.1. The Cabinet Committee is recommended to consider this report and the work currently underway to enable KCC to borrow GPF funds to bring forward projects in Kent, subject to a Key Decision to be taken in August.

Report author:

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20 June 2012

Supporting documents:

None

By: Mark Dance, Cabinet Member for Regeneration and Economic Development
David Cockburn, Corporate Director for Business Strategy and Support

To: Economic Development Cabinet Committee
14th June 2013

Subject: 2012-13 Business Plan Summary Monitor Report

Classification: Unrestricted

Summary

This report gives an overview of the performance against each business priority in the Economic Development and Spatial Unit 2012-13 Business Plan highlighting key achievements and outstanding issues. Additionally, it provides full year outturn performance for key performance indicators reported to Performance Evaluation Board.

Members are asked to REVIEW this report.

1. Introduction

- 1.1 A summarised monitoring report for the Economic Development and Spatial Unit 2012-13 is attached at Appendix 1. This includes full year performance data on key performance and activity indicators.
- 1.2 The primary purpose of the Unit is “to help the economy to grow.” To help achieve this, the 2012/13 Business Plan was developed around three core priorities closely aligned to the key economic development and regeneration objectives set out in Delivering Bold Steps and Unlocking Kent’s Potential.
 - **Business Growth:** developing and strengthening a sector based approach providing support and intervention;
 - **Strategy and Partnership Working:** championing the needs of Kent business and working with partners to deliver KCC’s long-term regeneration and economic development ambitions; and
 - **Infrastructure and housing:** stimulating development by securing funding and delivery of capital projects such as High Speed Broadband.

2. Performance review

- 2.1 A summary of the outcomes is attached at Appendix 1 including final outturn achievements for key performance indicators.
- 2.2. Each business priority has been assessed against a RAG ranking where:
- Red denotes that the priority has not and will not be completed;
 - Amber denotes that the priority is partially completed or is continuing; and
 - Green denotes that the priority has been completed.
- 2.3 A full summary of performance against planned actions for all projects is available on request.
- 2.4 The delivery of these priorities remains very much a substantive work-in-progress for the County Council and its partners, and involves the continuation of a number of major activities. The RAG assessments have been based therefore on progress against planned actions and milestones for major activities being undertaken to deliver the priority.

3 Recommendation

- 3.1 Members are asked to REVIEW this report.

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Background Documents:

None

Directorate: Business Strategy & Support**Division: Economic Development and Spatial Unit**

| Priority | Progress RAG |
|---|--------------|
| 1. Business Growth | Green |
| 2. Strategy and Partnerships | Green |
| 3. Infrastructure and Housing | Green |
| <p>Key Achievements:</p> <ul style="list-style-type: none"> • Secured £60m from the Regional Growth fund to support direct financial support to SMEs in East Kent (£40m) and Thames Gateway (£20m). Secured £1m Growth Fund support for the Romney Marsh which will offer loans to start up and SMEs • Completed the two-year High Growth Kent project which has created 413 jobs and raised £39.8m investment • Launched a £4.5m capital fund programme to develop flexible workspace to support SME growth in Kent. A good pipeline of project is developing. • Commissioned generic business support programme in Canterbury and via Expansion East Kent. Pilot programmes agreed in principle for West Kent, Ashford and Maidstone. Commissioning a package for North Kent in support or TIGER programme • 4 sector conversation events held covering Advanced Manufacturing and Engineering, Digital, Construction and Tourism and Hospitality involving 480 delegates over the four events • LAMS launched in Tunbridge Wells and Gravesham • 426 homes returned to occupied use as part of the No Use Empty Initiative. The loan scheme; now Kent Wide has awarded loans totalling £7m which have levered in £13m additional investment • Kent and Medway Broadband Delivery project contract was awarded in March to BT. Project teams are already in place and in the process of developing a detailed implementation plan.. • Cyclopark was formally opened by the Minister for Sport at the end of May 2013, 350 events have been delivered to date catering for between 15 and 300 people the park has attracted some 100,000 visitors. • Successfully procured and started the roll out of the 'Grow for It: East Kent' campaign which included the development of a website and distribution of several editions of a newsletter; a launch in Dover to 300+ local businesses; a London Launch to promote life sciences and the Expansion East Kent funding; a start up bus provided at a number of destinations across the area; support to the digital conversation run as a precursor to 'GEEK' event in Margate; and the KCC-organised tourism conference in March. A programme for 2013/14 is being planned. • Good engagement with BAB and key county partnerships. | |

| KEY PERFORMANCE AND ACTIVITY INDICATORS | | | |
|---|---|----------------------------|----------------------------|
| Ref | PERFORMANCE INDICATOR | Floor Performance Standard | 2012-13 Performance |
| | Agreed targets for Locate in Kent: | | |
| 1 | Annually, over the period 2010/11 to 2012/13 to create 3,100 gross jobs ¹ | 3,100 | 2,864 |
| 2 | Percentage of total gross jobs ¹ created that are professional or management positions, or jobs in knowledge based industries | 45% | 47% |
| 3 | Percentage of total gross jobs ¹ created that are in high value growth sectors. | 50% | 83% |
| 4 | Percentage of total gross jobs created ¹ that are located in Ashford, Thames Gateway in North Kent, coastal East Kent. | 75% | 60% |
| 5 | Percentage of total gross jobs ¹ that are created by company expansions within Kent. | 20% | 77% |
| 6 | Percentage of total gross jobs ¹ that are created by relocations and expansions into Kent. | 10% | 7% |
| 7 | Percentage of projects that are international projects relocating or expanding in Kent from outside of the UK. | 28% | 25% |
| 8 | At least 90% of successes will agree that LiK's assistance was either critical, quite important, or helpful | 90% | 85% |
| | Agreed Targets for Visit Kent | | |
| 9 | Run an effective visitor economy partnership monitored by the VK Board, and measured by the retention of the current level of investors (85) | 85 | 95 |
| 10 | Annually create £10m worth of income into the economy through marketing campaigns such as Kent Contemporary, My Kent, PR and trade and cumulatively £30m over the three-year SLA period | £10m | £27m (over 2 years) |
| 11 | Engage with 20,000 Kent residents through Big Day Out / Big Weekend Out and 10,000 through Cross channel Cross Channel Big Day Out | 30,000 | 82,000 ballot applications |
| | Other indicators | | |
| 12 | Number of long term empty properties brought back into use in Kent | 200 | 456 |
| 13 | Percentage of developer contributions delivered against target (Sites under 500 units) | 80% | 90.7% |

The overall jobs target has been affected by slower conversion of projects due to the impact of the recession and delays in decisions whilst companies apply to the Expansion East Kent and TIGER finance schemes.

¹ Total gross jobs include gross jobs created, gross jobs safeguarded and indirect jobs.

By: **Mark Dance**
Cabinet Member for Regeneration and Economic Development

Barbara Cooper
Director of Economic Development

To: **Economic Development Cabinet Committee - 14 June 2013**

Subject: **UNLOCKING KENT'S POTENTIAL:
DEVELOPING A GROWTH PLAN FOR KENT**

Classification: **Unrestricted**

Summary

In March, the Economic Development Cabinet Committee considered a paper outlining proposals for a refresh of *Unlocking Kent's Potential* to develop a new strategy for economic growth. Since then, initial consultation has taken place with business and with District Leaders.

However, the Government has recently proposed devolving some economic development funds and has asked Local Enterprise Partnerships to prepare growth plans setting out future investment priorities. This presents a potential opportunity for Kent, to which the refreshed *Unlocking Kent's Potential* will need to respond.

This report sets out progress to date in developing *Unlocking Kent's Potential* and explains how it is being taken forward in the light of changing Government policy and the evolution of the South East Local Enterprise Partnership.

The Cabinet Committee is recommended to note this report and to receive further reports as the consultation draft of *Unlocking Kent's Potential* is prepared.

1. The need to revise *Unlocking Kent's Potential*

- 1.1. In 2009, Kent County Council, with the endorsement of the former Kent Partnership, published *Unlocking Kent's Potential*, the county's framework for regeneration. *Unlocking Kent's Potential* set out an assessment of the challenges and opportunities facing the county and led to a series of delivery plans and strategies, including *Growth without Gridlock*, *Better Homes* (the Kent and Medway Housing Strategy) and the Kent Environment Strategy.
- 1.2. *Unlocking Kent's Potential* remains KCC's core economic policy document, directly informing the Economic Development business plan. Over the past four years, KCC with its partners has been successful in delivering many of its stated priorities. In particular, *Unlocking Kent's Potential* set a clear goal of building a better relationship between the public and private sectors, an aim which has been substantially achieved through much stronger business partnerships, a refocusing of KCC's role towards the provision and commissioning of direct services to business and success

in securing major sources of public funding (including £55 million from the Regional Growth Fund) to support private sector growth.

- 1.3. Since *Unlocking Kent's Potential* was produced, there have been significant changes in the policy context. Many of the strategies and plans that were developed with Government at the time (such as the Local Investment Plans and the Regional Economic Strategy) are no longer extant, while new sources of investment have emerged. At the same time, the economic context has changed radically, with much of the work on the original *Unlocking Kent's Potential* taking place just as the economy entered a deep recession.
- 1.4. Kent Leaders therefore decided before Christmas to prepare a refreshed version of *Unlocking Kent's Potential*, recognising the changing policy context and business environment. It was envisaged that the refresh would be accompanied by an analysis of the county's economy, set out the challenges and opportunities for Kent over the next 10-15 years and outline priorities in relation to three key themes of:
 - Unlocking infrastructure;
 - Unlocking business growth; and
 - Unlocking skills
- 1.5. Following consideration by the Kent Leaders and by the Cabinet Committee in March, the concept of a refresh of *Unlocking Kent's Potential* has been discussed with business (through Kent Economic Board and Business Advisory Board) and sub-county partnerships. Further work has also been taken forward in considering the potential challenges, opportunities and solutions relating to each of the key themes, a summary of which is set out in Annex 1.
- 1.6. Since March, a series of announcements have been made by Government. Taking these into consideration has meant some delay in bringing forward a consultation draft, but it will be important in ensuring that *Unlocking Kent's Potential* is effective in acting as a basis to support a Kent 'deal for growth' with Government.

2. The Heseltine Review and the Government's response

- 2.1. Last year, the Government commissioned Lord Heseltine to carry out a review of growth policy. In his report, Lord Heseltine recommended substantial devolution of powers and resources in support of local economic development.
- 2.2. The Government published its response to the Heseltine Review in March. This set out a series of proposals which included:
 - The creation of a new **Single Local Growth Fund** (otherwise known as the 'single pot') from 2015. The size and content of the fund will be announced in the Spending Review on 28 June. While it may be quite limited, it is expected to include elements of housing, skills and transport budgets and will be allocated through Local Enterprise Partnerships.
 - Asking LEPs to develop **multi-annual Growth Plans**. These plans would form the basis for negotiations between LEPs and central Government over the allocation of the Single Local Growth Fund. The Growth Plans are likely to be substantive documents setting out specific proposals for investment as well as a 'coordinated approach to spatial planning'.

- Aligning priorities for the future use of **European funding** on the basis of the Growth Plans agreed by the LEPs.
- 2.3. In addition, the Government's response encourages local authorities within LEPs to pool strategic economic development spend and functions and to account for the use of Single Local Growth Fund monies through the establishment of more formalised decision-making structures (such as joint committee arrangements).

3. Responding to the Government's proposals

- 3.1. The Government's response to the Heseltine Review holds out the prospect of significant devolution. However, the decision to channel resources via Local Enterprise Partnerships presents some challenges for Kent. In particular, the South East LEP (of which Kent is part, along with Essex and East Sussex) covers a very large area and was originally established as a light touch partnership to progress a limited number of shared priorities, not as a funding and investment planning body. It is likely to be difficult for the LEP to develop a credible single growth plan over such a large area and to prioritise resources in the way anticipated by the Government.
- 3.2. Recognising this risk, the LEP is considering the adoption of a new, '**federated**' **model**, which will see most powers and resources devolved to Kent and Medway, Essex and East Sussex. This would essentially create a *de facto* LEP for Kent and Medway, allowing substantive strategy and resource prioritisation to take place locally, while a loose South East-wide partnership could continue to support joint work on a limited number of shared priorities. Work is currently underway to establish how a federated model will work in Kent, and it is anticipated that a further report will be brought to the Economic Development Cabinet Committee in the autumn.
- 3.3. Meanwhile, it will be important for the revised version of *Unlocking Kent's Potential* to respond to the opportunities set out in the Government's response to the Heseltine Review, so that regardless of future LEP governance structures, Kent has a current growth plan in place which will clearly state the county's priorities and enable us to secure the best possible settlement from the new Single Local Growth Fund and European funding sources.

4. Timetable and next steps

- 4.1. Alongside the publication of the Spending Review, the Government may publish guidance on the content of Growth Plans in late June. At the same time, work is underway to prepare an initial draft of *Unlocking Kent's Potential* for consideration by Kent Council Leaders on 24 July.
- 4.2. Following early discussions with the Kent Districts, Business Advisory Board/ Kent Economic Board, it is then anticipated that a draft consultation version of *Unlocking Kent's Potential* will be brought to Economic Development Cabinet Committee on 20 September and Kent Council Leaders on 24 September. Full consultation can then proceed in the autumn, before the final strategy is adopted in the New Year.

5. Recommendations

- 5.1. The Cabinet Committee is recommended to note the contents of this report and to agree to receive a further report including a draft consultation version of *Unlocking Kent's Potential* at its next meeting on 20 September.

Report author

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31 May 2013

ANNEX 1:
Proposed key themes for *Unlocking Kent's Potential*:
Potential opportunities, challenges and solutions

The following tables summarise the headline opportunities, challenges and possible solutions for Kent which could be explored further in *Unlocking Kent's Potential*.

Some of the potential solutions would require separate negotiation with central Government. In some cases, similar solutions form part of agreements between Government and groups of local authorities negotiated as part of the 'city deals' process.

| Theme 1: Unlocking infrastructure | |
|--|---|
| <p>Challenges</p> <ul style="list-style-type: none"> • Delivering growth in weak market conditions • Gap between Community Infrastructure Levy requirements and viability blocking development • Long-term strategic transport infrastructure demands (including the need for nationally significant infrastructure) • Delivering public service infrastructure requirements (e.g. schools, community facilities) | <p>Potential solutions?</p> <ul style="list-style-type: none"> • Borrowing against business rate receipts to bring forward major priorities (e.g. at Swanscombe) • Development of shared priorities for strategic spatial planning and major sites • Oversight and 'commissioning' of the Homes & Communities Agency in Kent, building on our existing relationship • Local coordination or management of funding streams to unlock sites – potentially creating an 'investment fund' for Kent and Medway • Incentives to accelerate house building (building on the Local Authority Mortgage Scheme and linking with national initiatives such as HomeBuy) • Responding pragmatically to changing external funding rules and priorities • Developing new opportunities for the private financing of infrastructure |
| <p>Opportunities</p> <ul style="list-style-type: none"> • Strong county/ district relationships in infrastructure planning • Better coordination of CIL and NHB (within and across districts) • Kent Leaders' Housing Strategy in place and range of new housing finance solutions • Public funding (Growing Places Fund, Local Infrastructure Fund, Broadband Delivery UK, etc) • Excellent relationship with the Homes and Communities Agency • New solutions to local infrastructure provision | |
| Theme 2: Unlocking business growth | |
| <p>Challenges</p> <ul style="list-style-type: none"> • Banks remain reluctant to lend to SMEs • Chronic shortage of risk capital for young businesses with growth potential • Sharp local challenges following the closure of major employers (e.g. Sheerness, Dungeness, Sandwich) • Complex and often confusing business | <p>Potential solutions?</p> <ul style="list-style-type: none"> • Kent and Medway Business Growth Hub – linking local and national financial and support products in a coordinated offer • Expanding the existing Regional Growth Fund loan offer to include equity products • Supporting export and trade • Making better use of Kent's university |

| | |
|--|---|
| <p>support offer</p> <ul style="list-style-type: none"> • Need to increase value-added and productivity to sustain Kent's economic position over the long term | <p>base – backing innovation through stronger business-university links and financial and other support for R&D</p> <ul style="list-style-type: none"> • Making sure that we offer the most attractive deal to businesses with the potential to create jobs and increase value – retaining Assisted Area designation and maximising other local incentive packages • Building on the sector-focused approach to supply chain opportunities |
| <p>Opportunities</p> <ul style="list-style-type: none"> • Public-sector backed access to finance schemes – Expansion East Kent, TIGER in North Kent and (maybe) Escalate in West Kent • Strong business voice and business commitment through Business Advisory Board and Kent Economic Board • Successful delivery of High Growth Kent and district-based business support products • Highly successful inward investment activity through Locate in Kent • Close export markets and increasing focus on raising export potential | |
| <p>Theme 3: Unlocking skills</p> | |
| <p>Challenges</p> <ul style="list-style-type: none"> • Tightening labour market in the long term (despite current challenges of unemployment) • Demand/ supply mismatches in key areas, especially in engineering and manufacturing • Lack of coordination of skills offer linked with business need • Localised skills and employment weaknesses • Raising participation age | <p>Potential solutions?</p> <ul style="list-style-type: none"> • Better labour market information through a closer business relationship • More innovative approaches to further education and funding – bringing business to the heart of provision • County-backed Employer Ownership Scheme, supporting businesses in accessing skills to meet demand • Integrated careers service • Provision of skills funding information to business through the Kent & Medway Business Growth Hub – helping to reduce confusion in the market • Linking universities' focus on innovation with employer skills demands |
| <p>Opportunities</p> <ul style="list-style-type: none"> • Rising school attainment • Greater investment in vocational skills through the Skills Centre network and expanded school provision • Strong and coordinated local delivery of apprenticeships • Strong higher education presence | |

By: Barbara Cooper, Director of Economic Development

To: Economic Development Cabinet Committee – 14 June 2013

Subject: School for Creative Start-ups Kent

Classification: Unrestricted

Summary:

The proposed School for Creative Start-ups Kent is an innovative, initially two-year, programme based in Folkestone specifically designed to teach artists and designers the necessary skills required to turn their aspirations into viable, scalable and successful businesses. This is based on the successful business model developed by entrepreneur Doug Richard at the London based School for Creative Start-ups, and the aim is to work with up to 200 potential start up businesses over the two year period.

1. Introduction

- 1.1** Kent's Regeneration Framework, **Unlocking Kent's Potential**, was published in 2009 and noted the importance of cultural industries as a driver of Kent's economy. More recently, the 2010 **Cultural Strategy for Kent 2010-15** explicitly sets out to demonstrate "how culture can be used to strengthen the individual, collective and economic well-being of Kent". As its first priority, the Cultural Strategy highlights the aim of growing Kent's creative economy, by increasing business numbers and ensuring that the county acts as a welcoming host to the growing creative workforce.
- 1.2** Following both the Regeneration Framework and Cultural Strategy for Kent, an approach to supporting the growth of creative industries was set out in **Creative Opportunities for Growth**, an internal KCC document that was published in October 2010. *Creative Opportunities for Growth* has shown that in addition to the hard impacts on jobs and value added, the creative industries have wider economic impacts on innovation, place-making and regeneration. The document also identifies east Kent as a potential focus for the development of creative sector in the county, particularly in the towns of Canterbury, Margate and Folkestone.
- 1.3** There are around 3,700 employees and 1,190 businesses in the creative sector in east Kent¹. However, while the rate of growth has been impressive in recent years, with a growth in employment of just under 20%

¹ Creative activities are defined here as including broadcast media, communications, craft, culinary arts, design, digital, fashion, fine art, music and the performing arts.

between 2008 and 2011 during a general downturn which has seen overall employment contract by 0.9%, east Kent's creative economy remains small compared with county and national averages. Therefore, although the area's creative economy is growing fast, it has some way to go to catch up with the size of the sector elsewhere.

- 1.4** However, there are signs that the outlook for the east Kent local economy is changing for the better: There have been much improved transport links to east Kent through the introduction of **high speed rail services** to London supplemented with a series of further incremental transport improvements. There has been significant **investment in cultural infrastructure** such as Turner Contemporary at Margate, the New Marlowe Theatre at Canterbury and the development of the Creative Quarter in Folkestone. And there has been a new focus on **supporting business growth**, for example through the introduction of the Expansion East Kent loans scheme and the *Grow for It!* Inward investment and marketing campaign.
- 1.5** Together with its partners in east Kent, which includes the district councils and local cultural organisations, the County Council has also recently submitted a first phase bid to the government for East Kent to become **UK City of Culture** in 2017. Economic growth is a key element of the bid, and the experience of both Derry-Londonderry as 2013 UK City of Culture, and of previous European Capitals of Culture, is that designation can have a major impact on growth through the expansion of the area's cultural and creative industries.

2. School for Creative Start-ups Kent

- 2.1** The School for Creative Start-ups Kent (S4CSK) proposal is an innovative, two year programme based in Folkestone specifically designed to teach artists and designers involved in creative activities the necessary skills required to turn their aspirations into viable, scalable and successful businesses. Its overarching mission would be to create a vibrant, dynamic culture and economy in the town and the wider east Kent area that supports and promotes innovation and entrepreneurialism. It would be delivered through **action learning and intensive interactive instruction**, through a series of bootcamps and workshops, combined with **ongoing distance learning** provided via the internet and mentoring support.
- 2.2** The Folkestone based proposal is based on the very successful business model at the London based *School for Creative Start-ups*, a social enterprise which was developed by the entrepreneur and former Dragon's Den panel member, Doug Richard, and which has created **nearly 250 successful new businesses since 2010**. The aim of the Folkestone based proposal would be to work with up to 200 potential start-ups over the two year period.
- 2.3** Subject to further discussions with the organisations concerned, it is proposed that the main partners in the initiative will include the Folkestone

based Creative Foundation and the University for Creative Arts based in Canterbury, supported by KCC's Economic Development team and Shepway District Council.

3. How might it work in Kent?

- 3.1 We have had initial discussions with Doug Richard and his staff to shape the Folkestone based proposal, working closely with the Creative Foundation and potentially alongside the University for Creative Arts. The Creative Foundation is a 100% private sector financed charitable foundation focused on the development of Folkestone as a centre for cultural, creative and artistic activity. Already, the Foundation has created the Creative Quarter in the old town, restoring unused properties which have become home to a thriving collection of studios and creative businesses, resulting to date in some 100 new jobs. The Foundation has indicated that it could make available offices and teaching space in the Quarterhouse, which it owns in the heart of the Creative Quarter.
- 3.2 Based on the London business model, S4CSK would run a closed application process, assisted by Doug Richard and his team, which would accept only the top students to ensure quality and long term success. Applicants must have a good business idea – but they would not need prior business experience, nor do they need to be an existing start-up. These could be selected locally (from the universities in Kent, for example) as well as from further afield, especially people looking to set up businesses in Kent.
- 3.3 The programme would look to work with up to 100 potential start-ups annually. The main elements of the programme would be:
- Using the **Quarterhouse as the main base**, S4CSK would host a combination of short “bootcamps”, workshops and live surgeries, usually in front of peers and guest entrepreneurs and investors.
 - Students would have access to an **online community site** which provides an extensive library and discussion boards.
 - There would also be access to an **advisory network**, comprising some 200 creative professionals who will be made available to provide industry specific support. This will help to ensure that the start-up businesses have optimum survival and growth prospects beyond the initial life of the initiative.
 - Mid-way through the annual programme, students will be given the opportunity to take part in a **live pop-up exhibition and networking event** at Somerset House in London, which would be attended by creative industry professionals and investors. It is envisaged that similar events could also be held at the Quarterhouse in Folkestone.
 - We would investigate setting up an **investment fund** of potentially up to some £4m which would have available a range of financial instruments that could include loans and seed capital. This could be sourced from Expansion East Kent and would work alongside other potential funding partners, including national schemes such as Start Up

Loans, Funding Circle and Capital for Enterprise.

- The London based School for Creative Start-ups also has its own group of **potential business angels** with links to existing industries in the creative sector. Student entrepreneurs working in the S4CSK programme would be given priority access to the angels over the year long programme.
- Our discussions with Doug Richard and his team have included the possibility that **incubator workspace** is made available with access to meeting space and broadband. We have been exploring possible options in the Creative Quarter with the Creative Foundation.

4. How much would it cost?

- 4.1 Based on the existing successful business model based in London, the costs of running the programme over the two year period would be some £670,000. This comprises estimated annual costs of direct business support (£225K), coaching and workshops (£75K) and marketing and administration (£35K). However, these costs are indicative only and are subject to further discussion and negotiation with Doug Richard and his team.
- 4.2 The London based business model recoups most of these costs from entry fees charged to the applicants. However, because the Folkestone based programme would be new, it is proposed that the initial two year period is wholly funded by the partners. As well as submitting an application to KCC's Regeneration Fund, we will therefore be seeking financial and in kind contributions from Shepway District Council and the Creative Foundation, and have submitted a funding bid to the government's Coastal Communities Fund. Potentially, partner contributions could be as high as 50%, with the balance being provided by the Regeneration Fund. The resource implications for the Regeneration Fund over the two year period could therefore be between £335,000 and £670,000 depending on what contributions might be forthcoming from partners, as well as being subject to negotiation over final programme costs.
- 4.3 Our aim is to create up to 200 business start-ups in the creative sector, and a minimum of 200 new jobs at an overall average cost of £3,330 per job. If the programme achieved its objectives, we would look to using the success of the initiative at the end of the two year period to introduce ongoing cost recovery by charging prospective applicants to enter the programme. The London based business model is fully funded by fee income, therefore this is a realistic objective.

5. Recommendation

- 5.1 Economic Development Cabinet Committee is asked to consider the proposal to set up a Kent based School for Creative Start-ups in Folkestone.

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Background Documents: None

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By: Wayne Gough - Economic Development Manager

To: Economic Development Cabinet Committee – 14 June 2013

Subject: Maximising Business Engagement

Classification: Unrestricted

Summary:

Kent County Council currently engages with businesses through a number of mechanisms, and mostly for a specific purpose e.g. a business may wish to apply for a loan from Expansion East Kent, or may be supported to recruit an apprentice through Kent Jobs for Kent Young People.

At present this contact with business is generally run for a specific purpose, and the strategic learning from the programmes could be better gathered together to produce intelligence to inform service delivery. Furthermore there is potentially many instances where more than one part of KCC is engaged with, or trying to engage, with the same business, albeit for different purposes (for example Trading Standards, Skills & Employability, Health, Expansion East Kent could all have reason to be in contact with a business)

This paper looks at possible solutions for maximising the benefits of our current and future relationship with business.

1. Introduction

1.1 Our vision is to have a strong relationship with the business sector in Kent, one where the council is aware of changing business challenges and needs, and where it is seen as a strong supporter of growth, and is alert to emerging issues.

1.2 Our objectives in achieving this vision are to:

- Support growth and jobs
- Develop strong communication with companies to support the effective flow of information
- Understand the needs of businesses of all sizes
- To respond quickly to what business tells us, taking action where we can
- To support business in Kent by, where appropriate, developing programmes to meet their needs
- To facilitate Kent companies in accessing appropriate support from external sources
- To facilitate opportunities for businesses in Kent to network and develop beneficial relationships with each other.

1.3 Through this work our primary goal is to ensure that Kent County Council is doing it all it can to support business growth in Kent. We will continue to work in partnership with a number of organisations both internal and external to KCC, to ensure that we are promoting to businesses the support that is available to them, but also, where possible, filling gaps in support identified by our engagement.

1.4 To achieve this goal we will work through three focus areas, these are:

- Making the most of our existing contacts with business
- Building a strong relationship with 50 key businesses in Kent
- Working with sectors

The plan attached at **Appendix A** lays out where we are now, where we want to be in twelve months time, and what we will deliver in each of the focus areas.

Whilst the action plan, **Appendix B**, shows what we need to do to deliver our vision

2. Making the most of our existing contact with business

2.1 Whilst clearly it would be beneficial to be able to engage meaningfully with every business in Kent, experience shows that this is not realistic. Business is more likely to be responsive to engagement when there is some benefit to their business from doing so. Because of this, we will in the first instance, focus our effort on those businesses who currently have a relationship with KCC, however small that may be.

2.2 Currently, Kent County Council delivers many programmes of support to business in Kent, however, we could better learn strategically from these interactions, and convert a higher proportion of these business engagements into more meaningful relationships. Furthermore there is no systematic way for one programme to be aware of whether the company they are working with are also engaging with another part of the organisation.

2.3 A list of the initiatives supported by KCC to support businesses is attached at **Appendix C**, with levels of engagement identified as follows:

- **Level 1 businesses – being contacted by or contacting KCC**
- **Level 2 businesses – linked to KCC through its initiatives**
- **Level 3 businesses – benefiting directly from support**
- **Level 4 businesses – having a direct relationship with KCC**

2.4 The quantum of companies who currently have direct contact with KCC programmes could number approximately 4,000, which is approaching 10% of all companies. Notwithstanding that it is not currently possible to tell if there is double counting of companies, this is a large number of companies, and has the potential to provide a rich source of information to us. It is clear

from the variety of the services that are provided by the council (as detailed in Appendix C) that there is likely to be many areas where a business could be engaged with by several parts of the council, with no way for the respective services to be aware of the others work with that company.

- 2.5 In addition to the contact that KCC has with business, it is important to recognise that District and Borough councils have established relationships with many businesses in their area, and it will be important to work with colleagues in these areas to understand how we can build on their resources and share intelligence.
- 2.6 Intelligence gathered from the sector based conversations we have held, along with feedback from business forums such as the Business Advisory Board, tell us that although businesses may be in need of support, or may want support, they often do not know where to access this support, this has become even starker with the loss of the Business Link and the associated website.
- 2.7 To overcome the issues identified above we propose developing a web portal that contains all KCC business support in one area, and provides easy to find links to other sites that can provide support services/funding to businesses in Kent.
- 2.8 To ensure that KCC is using its contacts with business to inform future programme development we will identify all current programmes across the council, analyze what it currently tells us, and use this information to develop further programmes. We will also share this intelligence with appropriate partners across the council, and with external partners such as district councils, JCP, Skills Funding Agency etc.
- 2.9 We will look to move companies from the first three levels of engagement to level 4, having a direct relationship with KCC, in order that they can help shape and deliver our priorities for growth.
- 2.10 To ensure that KCC and its delivery partners are aware of which businesses are in contact with KCC, and what the nature of that relationship is we will investigate whether it would be feasible and beneficial to instigate the use of a common CRM system.

3. Building strong relationships with 50 key Kent companies

- 3.1 Although the Kent economy is dominated by a large number of SMEs, it still contains a number of key companies, or those who show the potential for strong growth, or who are in key sectors of the economy. To ensure that KCC has an understanding of the business of these companies, is aware of the challenges they face, or how they could be assisted to grow it is essential that KCC develop strong lines of communication with them.
- 3.2 We will identify 50 key companies with which to build a closer relationship,

these companies could be identified from the various schemes identified in section 2 above, and could include for example:

- From Locate in Kent Aftercare programme – Avante, Cummins, Eurotunnel plc, Fresca/Thanet Earth, Fujifilm Sericol, Hornby, Kimberley Clarke, Saga Services Ltd, Silent Gliss, Towergate
- From Mega Growth 50 – Marlin Chemicals, Reeves, Motorline Holdings, COOK Trading Ltd, FM Conway Ltd, Bond Industries Ltd, Swale Heating Limited
- From Expansion East Kent – H.V Wooding, and other companies with large loans

In addition, we would add selected companies from High Growth Kent supported companies, BAB companies.

3.3 We would look to instigate 1:1 meetings with the companies with the Cabinet Member for Regeneration and Economic Development. This could be complemented by a bi-annual event to encourage networking, and to present KCC developments.

3.4 It would also be the intention that this group would become a reference group for major initiatives.

4. Working with sectors

4.1 Priority 7 of the Bold Steps Delivery Framework outlines the need for KCC to “Build a strong relationship with key business sectors across Kent.” To date a large part of this effort has been the delivery of a series of sector conversations. These have provided a good way for the Council to engage with businesses, and have produced some strong intelligence on how KCC can support businesses, and much of this learning has been used to inform developments.

4.2 The conversations have led to some notable successes, including Kent Rural plc, and the partnership with the Banking Association, whilst many of the concerns of business are being addressed through KCC action, and planned action such as easing access to finance through Expansion East Kent and TIGER, or increasing access to fast broadband through the BDUK programme.

4.3 During the conversations, many of the sectors highlighted the benefit of being able to network with other businesses from their sector, and would welcome the Council’s support in facilitating further opportunities to do so. This has been shown to be effective through the Kent Rural plc initiative.

4.4 We will look to build on the sector conversations by looking at further sector focussed events, and ensuring that developments from previous events are delivered.

4.5 We will work with companies to facilitate the creation of sector based groups along the lines of Kent rural plc to enable networking, but also to provide a sector based reference group, that can advise KCC on sector specific support, and also work with departments across KCC, in particular Education, Learning and Skills, to promote their sectors and the employment opportunities to young people in Kent.

5 Next Steps

5.1 Economic Development Cabinet Committee is asked to comment on the draft action plan for maximising business engagement.

5.2 This paper and associated action plan will be considered by the Economic Development Cabinet Committee

Associated Papers:

Appendix A: Plan for Maximising Business Engagement

Appendix B: Maximising Business Engagement – Action Plan 2013/14

Appendix C: Business Engagement Table

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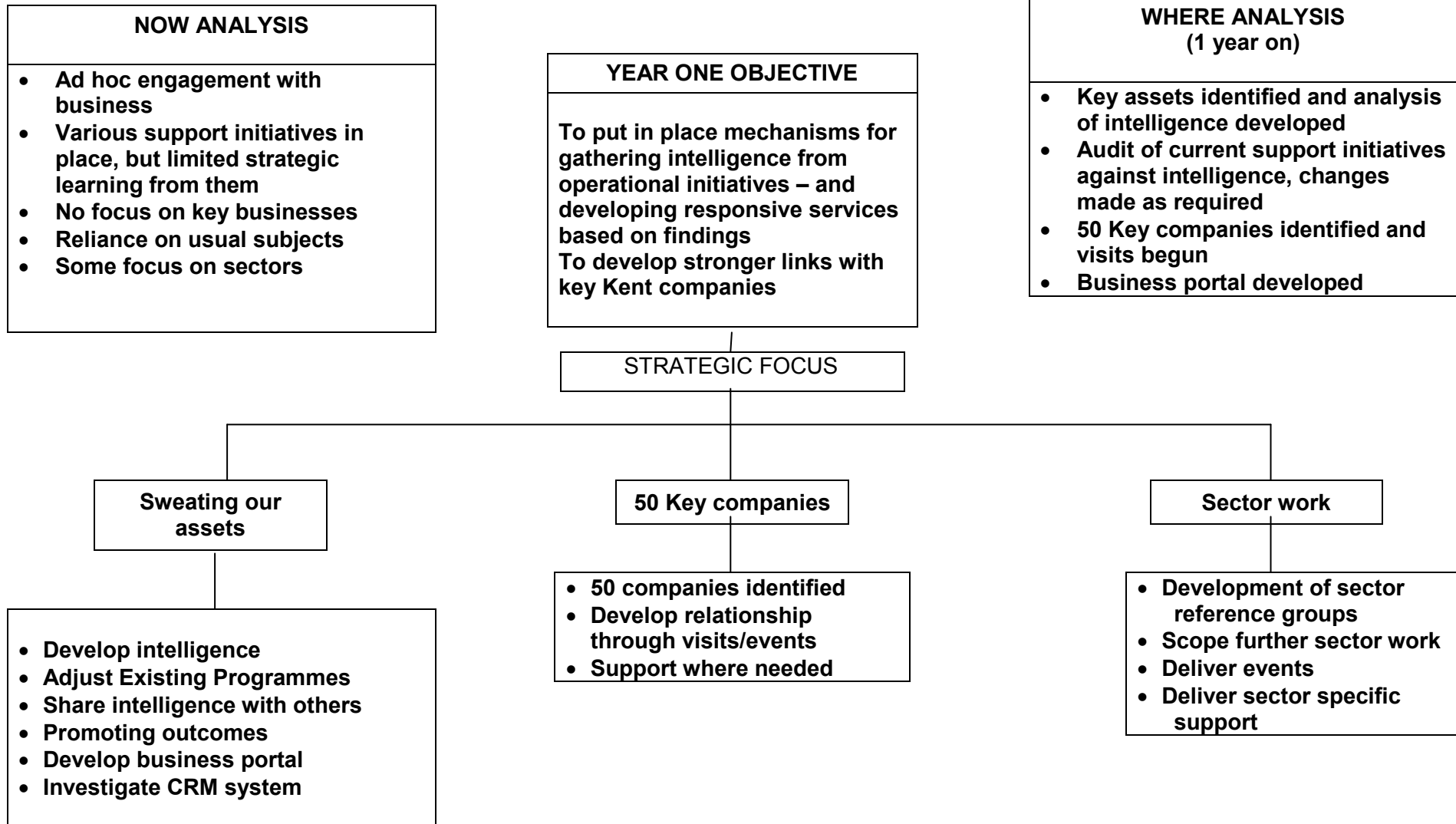
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APPENDIX A

PLAN FOR MAXIMISING BUSINESS ENGAGEMENT



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APPENDIX B

Business Engagement Strategy – Action Plan 2013/14 (to be refreshed for 2014/5)

| Project / Development | A/C Manager | Key Actions | Outcomes | Target Dates |
|-----------------------|--|--|--|--|
| 1. | Making the most of our assets | | | |
| 1.1 | Audit of current KCC programmes which support business | <ul style="list-style-type: none"> • Identify programmes • Identify district programmes • Assess contact made • Assess current intelligence available • Share intelligence with partners | Clear understanding of how KCC interacts with business Intelligence developed Adjustments to programmes made where necessary | June 2013 August 2013 March 2014 |
| 1.2 | Develop KCC business portal | <ul style="list-style-type: none"> • Identify internal programmes • Identify external sites • Liaise with external partners • Work with Comms team to develop portal • Monitor usage | A single portal that acts as a link to all business support available within KCC and within Kent. Pilot Portal | Dec 2013 September 2013 |
| 1.3 | Investigate CRM system | <ul style="list-style-type: none"> • Meet with programme leads to assess possible benefits • Understand Evolutive (currently used by EEK) • Assess knowledge management systems within KCC • Decide upon whether to take forward | Understanding of benefits of unified CRM CRM implemented? | Dec 2013 |

APPENDIX B

| Project / Development | A/C Manager | Key Actions | Outcomes | Target Dates | |
|-----------------------|------------------------------|-------------|--|---|--|
| | | | | | |
| 2. | 50 Key Kent Companies | | | | |
| 2.1 | Identify 50 companies | | <ul style="list-style-type: none"> • Develop criteria for inclusion • Meet with delivery partners to identify companies • Finalise list | <p>Criteria developed for what makes a company a key partner</p> <p>50 key companies identified</p> | <p>May 2013</p> <p>June 2013</p> |
| 2.2 | 1:1 Meetings | | <ul style="list-style-type: none"> • Book meetings for Cabinet Member • Develop checklist for topics to cover • Hold meetings | <p>Meetings held</p> <p>Intelligence gathered</p> <p>Relationships built</p> | All meetings held by end March 2014 |
| 2.3 | Bi-annual events | | <ul style="list-style-type: none"> • Scope events • Develop agenda • Invites out • Events held | <p>Creating a sense of purpose for the 50 companies</p> <p>Networking developing</p> <p>Intelligence gathered</p> | <p>2 events October 2013</p> <p>March 2014</p> |

APPENDIX B

| Project / Development | A/C Manager | Key Actions | Outcomes | Target Dates | |
|-----------------------|-----------------------------|-------------|---|---|---|
| | | | | | |
| 3. | Working with sectors | | | | |
| 3.1 | Sector Conversations | | <ul style="list-style-type: none"> • Assess outcomes from further conversations (Grow for It) • Identify other sectors for conversations (KCC priority sectors) • Ensure actions identified are followed up | <p>Intelligence from sector conversations shared with relevant departments/partners</p> <p>Sector conversations delivered</p> <p>Annual review of progress on delivering actions from sector events</p> | <p>June 2012</p> <p>October 2013</p> <p>November 2013</p> |
| 3.2 | Sector reference groups | | <ul style="list-style-type: none"> • Assess which sector groups exist in Kent • Use existing contacts (e.g from Sector convs) to identify possible sector leaders • Support sector leaders to develop groups • Facilitate Networking opportunities • Promote groups as potential tool for KCC/partners | <p>Sector reference group for each priority sector</p> <p>Sector network opportunities delivered</p> | <p>January 2014</p> <p>March 2014</p> |

APPENDIX B

APPENDIX C

| KCC initiatives | Levels of engagement | | | |
|--|--|---|---|--|
| | Level 1 businesses – being contacted by or contacting KCC | Level 2 businesses – linked to KCC through its initiatives | Level 3 businesses – benefiting directly from support | Level 4 businesses – having a direct relationship with KCC |
| Expansion East Kent | Website hits Stage 1 applicants | Stage 2 applicants | Successful applicants | Used to support KCC activity (eg HV Wooding) |
| TIGER | Website hits Stage 1 applicants | Stage 2 applicants | Successful applicants | Used to support KCC activity |
| High Growth Kent (Oct 11–Dec 12 contract) | | | Network and Portfolio clients 494 Network clients 262 Portfolio clients | Clients visited by KCC Other clients suggested by BSK Includes EEK applicants and Pfizer spin outs |
| Locate in Kent | Website hits Referrals from UKTI | | Active Aftercare businesses – 111 | None specifically but could be chosen by LIK |
| Visit Kent | | | | |
| Produced in Kent | | | | |
| Sector conversations | Invitees to events | Adv Manuf & Eng – 60 Construction – 58 Creative & media – 80 Food prod – 80 Health & Soc care – 39 Low carbon – 48 | None specifically | None specifically but some would be willing to be best practice exemplars |
| 2 Seas Trade | 365 Kent businesses on database and receiving event information 153 website | 150 Kent businesses (approx) attending a workshop, 34 companies receiving 1- | 13 Kent businesses exhibiting at a trade fair, 72 participating in market visit or B2B networking event | None specifically but some become best practice exemplars |

APPENDIX C

| | | | | |
|--|---|---|---|---|
| | visitors | 2-1 visit from partner trade advisor | | |
| KIB initiative (expected in 2013-14) | 391 website visitors 23 businesses on new contact database | 80 participants at East Kent Export for Growth Event (approx 30 businesses) | | Aspiration with KIB 100 to have a core group with whom to consult – say 10 businesses |
| BAB / KEB / “Star Chamber” | N/A | N/A | N/A | BAB – 40 KEB – 11 Star Chamber - 13 are SELEP reps |
| Life sciences cluster | About 130 known in Kent | 41 participating in survey | About 12 known to be linked to HGK support & EEK/Accelerator funding | Several already linked to Grow for It project |
| Commercial banks | N/A | High St banks occasionally linked to events like 2020 | | High level contact with each of the High Street banks – 6 |
| ELS Employer Engagement team | 1000 SMEs | | | |
| KCC Kent Business Portal | Website visits by businesses looking for contract opportunities | Portal could be used to provide information about support for business | N/A | N/A |
| Trading Standards | Website visits | Buy with Confidence | Business advice | |
| Adult Ed/KEY Training | Website visits | | Training courses/Apprenticeship | |
| FUSION | | | | |
| Business representative organisations | | | | |
| FSB Kent and Medway | | | | |
| Kent Invicta Chamber of Commerce | | | | |
| Kent Channel Chamber of | | | | |

APPENDIX C

| | | | | |
|--|--|--|--|--|
| Commerce | | | | |
| Engineering Employers Federation (SE) | | | | |

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