

KENT COUNTY COUNCIL

SELECT COMMITTEE - KENT'S EUROPEAN RELATIONS

MINUTES of a meeting of the Select Committee - Kent's European Relations held in the Wantsum Room, Sessions House, County Hall, Maidstone on Tuesday, 7 January 2014.

PRESENT: Mr A J King, MBE (Chairman), Mr A H T Bowles, Mr D S Daley, Mr G Lymer, Mr R A Marsh, Mrs P A V Stockell and Mr R Truelove

ALSO PRESENT:

IN ATTENDANCE: Ms D Fitch (Democratic Services Manager (Council)), Mrs S Frampton (Research Officer) and Mrs A Taylor (Scrutiny Officer)

UNRESTRICTED ITEMS

3. Minutes of the meeting held on 10 December 2013

(Item 2)

RESOLVED that the minutes of the Meeting held on 10 December 2013 be agreed as a correct record and signed by the Chairman.

4. Membership

The Chairman reported that he had been informed by the Leader of the UKIP group that they would not be taking part in this Select Committee.

5. 9.00am - Ron Moys - Head of International Affairs (KCC)

(Item 3)

(1) The Chairman welcomed Mr Moys to the meeting and invited him to give the Committee background information on the work of the International Affairs team operated in the County Council, before answering questions from Members of the Committee.

(2) Mr Moys referred to the paper previously circulated to the Committee on the European Funding opportunities over the period 2014 – 20. Mr Moys explained that the Team had overall responsibility for international activities in KCC which included influencing European and Government policy. Recently there had been an increased focus on trying to support Kent's export activity especially that of small and medium enterprises (SME's). This included the Kent International Business (KIB) initiative which helped to fund trade visits etc to assist SME's in accessing European markets. There was a need to work with partners especially the southeast LEP and European partners to make sure that Kent accesses its fair share of European funding. All the Team's activities supported the County Council's core objectives e.g. Bold Steps for Kent, Unlocking the Potential or the Environmental Strategy. Mr Moys confirmed that before any funding project was submitted for European funding it went through a Member approval process to make sure that the outputs were what the County Council wanted.

(3) Mr Moys set out 4 priorities for IAG's work:

- Securing European funding for projects across the County Council's business activities - this included influencing the development of new funding streams up to 2020 to enable Kent to bid for work closely linked to the work of KCC's directorates and other partner organisations, such as Visit Kent or District Councils, and securing KCC representation on EU decision-making bodies.
- Supporting Kent businesses to trade and export with Europe, especially SME's, including with support from European Funding such as the Interreg '2-SeasTrade' project.
- Policy Development and influencing – KCC had, for example, influenced the government to secure a good percentage of European funding (coming to the county via the South East Local Enterprise Partnership) to spend in the County. In 2014 – 2020 this would be £165m (compared to £20 million under the current South East ERDF programme). Dafydd Pugh would also, for example, outline the successful lobbying activity with our Brussels networks and European partners to ensure that Eurostar continued to stop in Kent.
- Partnership working – This was a key priority as new programme came on stream it was important to develop European (e.g. Nord-Pas de Calais) and UK partners (e.g. Essex via the LEP) to support EU funding bids. A recent delegation to KCC from the Province of West Flanders would be followed-up by a 'match-making' meeting between their respective Directorates to develop ideas for future joint projects in areas of mutual interest.

(4) In response to comments from Members Mr Moys stated that he was pleased that the amount of work, often unseen, that went into securing European funding was recognised. For example, successful lobbying for inclusion of North Kent in the previous URBAN II programme, had taken two years from the Commission's initial proposal to securing eligibility.

Question – Is there any possibility of European Funding such as Interreg funding being secured for road schemes in Kent?

(5) Mr Moys stated that accessing funding for infrastructure works, especially under Interreg, was difficult given the relatively limited funding available. Most funding for infrastructure is directed by the EU to less developed areas. However the 'thematic programmes for 2014-20 such as the 'Connecting Europe Facility' might be explored in this regard.

Question – How successful is Medway Council in securing funding?

(6) Mr Moys explained that Kent and Medway were effectively rivals for Interreg funding. However, Medway had been very successful in securing European funding and punched above their weight. They had a dedicated resource allocated to securing European funding/project facilitation. He confirmed that Kent had worked on joint European funding projects with Medway. The Southeast LEP had £165m, the funding for Kent and Medway was expected to be £80m which would be run via

the Kent and Medway Economic Partnership. The southeast LEP would be allocating 15% of funding for 'pan-LEP' Kent, Sussex and Essex projects.

Question – Why is Medway Council so relatively successful in attracting European funding?

(7) Mr Moys explained that Medway Council employed a person specifically to develop European projects for the Council.

Question – What feedback have you had from SMEs regarding improved access to European Markets?

(8) Mr Moys stated that SMEs in Kent had had experienced increased turnover following attendance at Trade Fairs in Europe as part of their participation in the Interreg '2-Seas Trade' project by giving them access to new markets. Part of the unit's role through the KIB initiative was to overcome SMEs' fear of the unknown in relation to European markets.

Question – Will Eurostar be making a contribution to the funding shortfall for improved signalling at Ashford International?

(9) Mr Moys stated that funding has come from the RoCK project but that Dafydd Pugh would be able to provide more detail on this.

Question – The public are generally unaware of the work of KCC and specifically the International Affairs office in leveraging in European funding for Kent, what can or is being done to improve this?

(10) Mr Moys agreed that the people of Kent were not generally aware of the role that European Funding plays. He stated that at project level publicity measures should be written into the outputs for particular projects to raise the profile of this funding and the work done by the County Council. He agreed that more could be done in this area.

Question – One of the main things that Kent needs to get out of European Funding is assistance with road infrastructure works as a lot of European traffic uses Kent's roads, what can be done to achieve this?

(11) In relation to the issues of European funding for infrastructure works, Mr Moys explained that this was currently allocated depending upon the category of the Member State, the "poorer" Member states such as Portugal, Greece and South Italy (Sicily) have received a lot of funding to bring their road infrastructure up to the standard of other Member States. KCC Members and Officers had fought hard to retain funding for the more prosperous Members States such as the UK, but there has not been European funding available to the UK for infrastructure works per se. Officers could look at thematic funding programmes, to which all Member states can apply, to see how this might be used for infrastructure works.

Question – How has Kent County Council built the reputation that it has in Europe?

(12) Mr Moys explained that because of Kent's geographical location and it being an outward-looking local authority it recognised the benefits to be gained for the people of Kent in exploiting links with Europe, e.g. for trade and export. Other local authorities tend to think that KCC has a larger International Team than it actually does; the team punches above its weight. The Team is strongly supported by Members. There is recognition of KCC's good reputation in Europe and amongst other local authorities and in fact KCC was, for example, representing all of the southeast local authorities on the Programme Preparation Committee (PPG) that was preparing the new Interreg programme.

(13) Mr Moys explained that Kent had an outward looking approach to European work and recognised at an early stage that the EU was a major source of potential funding for local authorities and therefore it was important to have good links to the European Commission to make sure that Kent's points of view are taken into account.

(14) Mr Moys emphasised the importance of KCC Directorates being clear about their priorities in order to be able to take advantage of European funding. He explained that all European funded projects required match funding and one of the upsides was that Kent could provide staff time rather than cash match funding. There were a number of posts in Directorates which were funded via European projects. In relation to resources he stated that even if resources for this activity were not increased, there was the opportunity to prioritise existing resources within the Directorates to concentrate more on accessing funding.

Question – Do you think that negative attitudes to Europe make your job harder?

(15) Mr Moys replied that having worked in this area for such a long time he was used to this attitude, he and his colleagues just carried on regardless of the negativity. They do not think about this and concentrate on bringing in millions of pounds worth of funding for Kent.

Question – How can we get Directorates to work with you to maximise the benefits of European funding for Kent?

(16) Mr Moys said the Leader was giving out a clear message about the importance of maximising European funding for the work of the Directorates. Mr Moys confirmed that he was attending Departmental Management Team meetings to get the message out to the Directorates especially in terms of the LEP programme.

(17) It was agreed that a short survey be sent to Directorates regarding accessing European funding.

ACTION (SUE FRAMPTON - completed)

Question – how much does it cost per £1 to release funding from Europe?

(18) Mr Moys was asked if it was possible to estimate the cost to release funding and though this is not easy to calculate it may come from various pieces of evidence to the review.

(19) The Chairman thanked Mr Moys for assisting the Committee with their work.

6. 10.00 am - Ruth Wood , Visit Kent

(Item 4)

(1) The Chairman welcomed Ruth Wood to the meeting and invited her to give a short presentation on Tourism in Kent including information on European funded schemes. She then answered questions from members.

Presentation

(2) Ruth stated that Tourism in Kent was worth £3.4m to the Kent economy and supported 64,000 jobs and involved 4,000 businesses; it was one of the few sectors showing job growth. Ruth gave a brief background to Visit Kent and set out its funding streams; it had received since 2002 14% of its funding from European funding streams. Ruth undertook to supply the figures for Visit Kent funding which were shown as percentages on the slide.

Action - Ruth Wood (now completed)

(3) Ruth introduced slides which gave examples of European funded projects which Visit Kent has led on, these included "Greet the World" set up to create a legacy from the 2012 London Games (value to Kent – 2 million Euros) , and the CAST and SEACONOMICS, projects to promote the Kent Coast (value to Kent – 2.2 million Euros).

(4) Ruth referred to the COOL project which supported rural tourism. Master classes had been provided for businesses and the funding supported a business advisor.

(5) Ruth explained that the majority of the projects were supported by Interreg funding, 2 Seas Trade or Channel programme funding. On a smaller scale Ruth referred to the Kent Breakfast and Hamper project which had facilitated links across providers of accommodation and Kent Producers. Although it only had a financial value of £40k it had had a great impact in promoting Kent produce.

Question – What are you doing to avoid duplication across the various public bodies in relation to securing funding for the same services.

(6) Ruth acknowledged that duplication had been a challenge; part of the role of Visit Kent was to communicate at various levels and to share project ideas so that for example District Councils knew what Visit Kent were planning to do in their area and could either work with them as a partner or focus their efforts on another project.

Question – We work closely with Northern France and the Low Countries, but this is a double edged sword as they have similar coastal attractions as Kent, what are you doing to make sure that we gain tourism and that visitors stay in Kent?

(7) Ruth stated that Visit Kent considered their main tourist competitors to be the budget airlines providing low cost flights to Europe e.g. Prague or sun destinations rather than near Europe. Kent benefited from its close proximity to Europe and being a gateway to London and the rest of the UK. Visit Kent produced and promoted 48 hour itineraries for visitors to encourage people to spend a couple of nights in Kent and Nord Pas De Calais combining two destinations in one holiday.

Question – is it possible to monitor what success we have in attracting visitors from Europe e.g. France, Belgium or Holland to visit our coasts and visa versa?

(8) This information is based on visitor surveys to find out where people go on holiday. Perception research had been carried out in 2007 and again in 2012 which showed an increasing awareness of what the Kent Coast had to offer.

Question – The French have a positive, idealism about their tourism, how can we encourage positive promotion of Kent as a tourist destination?

(9) Ruth pointed out that France had a lot more funding for tourism. We have to develop the promotion of Kent in a modern and positive way; Interreg funding was helping to develop that supporting Visit Kent's successful Kent Contemporary brand campaign

Question – In the UK young people perceive being a waiter or waitress as a servile role but in Europe Young people take a pride in this role – what can we do to improve the Kent young people's perception of this role?

(10) In relation to young peoples skills and perception on roles that support tourism, Ruth stated that Visit Kent were working with KCC on a hospitality guild concept and in the future may bid for European funding to help support this. Young people had been slow to recognise the opportunities for them in the tourist industry and the professional career opportunities within the sector.

Question – You say that there are 57m visitors to Kent, how do you measure this?

(11) Ruth explained that Visit Kent used an industry recognised economic impact model, which used data, including occupancy figures for accommodation and visitor attraction figures; this data was combined and extrapolated with other data. This could then be used to bench mark with other areas. Ruth stated that 80% of the visitors to Kent were day visitors.

Question - How closely do you work with Kent Districts and the Kent Conference Bureau?

(12) All the districts are investors in Visit Kent and have representation on the Visit Kent Board. Several districts have been paying partners in their European projects. Ruth stated that although Visit Kent worked with the Bureau they had not been involved with their bid for European funding. Regarding District Council visitor information centres, these played a key role in distributing tourist information leaflets

and Visit Kent were working with Districts to look at how they provided visitor information to meet changing visitor needs.

Question – Some parts of Kent do not have the obvious coastline, countryside or heritage attractions for visitors, do we still promote these areas as, for example, within easy access to London? Are we marketing the whole of Kent?

(13) Ruth explained that Visit Kent's brand was Kent the Garden of England and that within that visitors were not aware of District or area boundaries. There were definite key attractors such as Canterbury. However other areas such as Gravesend were indeed popular during the London Games due to their location and with Paramount could be a key destination in the future. .

Question – What information do we have on visitor views on Kent and how do you respond to this information?

(14) Ruth stated that Visit Kent did measure visitor satisfaction, which was used to highlight areas where Visit Kent and partners needed to target its work.

Question - Could Visit Kent have a role in promoting work exchanges via European Funded projects?

(15) Ruth agreed that this was a good suggestion which she would take forward.

Question – In relation to the Hadelot Centre in France the majority of the Kent population are not aware of it, what is its connection to Kent? 15 years ago there was talk of matching it with 'horsiculture' has anything happened about this?

(16) Ruth explained that Visit Kent worked with the Education Department in France in relation to hosting familiarisation trips to Kent, Visit Kent also worked with teachers to spend time in Kent. The Hadelot Centre provided a facility where Kent students could visit France and make exchange links with French students which could lead to reciprocal visits by French students and their parents to Kent.

Question – What are the challenges facing Visit Kent from the changes to European Funding?

(17) Ruth explained that with the future of Interreg funding changing and tourism not being a specific funding stream this was more challenging for Visit Kent. They would be looking to access more diverse funding streams and work with KCC International team to identify new priorities such as jobs and economic growth to which tourism could make a significant contribution

(18) The Chairman thanked Ruth attending the meeting and for assisting the Committee with their work.

7. 11.00 am - Dafydd Pugh - Head of Brussels Office (KCC) and Stephen Gasche - Principal Transport Planner - Rail (KCC) (Item 5)

Mr Dafydd Pugh (Head of Brussels Office, KCC) and Mr Stephen Gasche (Principal Transport Planner, Rail, KCC) were in attendance for this item.

1. Mr Pugh briefly presented the Brussels Office which is a part of the International Affairs Group. There is a team of three, two Kent County Council (KCC) employees and one student: the office has a close connection with the University of Kent and each year welcomed a student from the university to work with them. The team's work is closely linked to KCC's corporate priorities. Business planning reflects priorities that were set out to implement the international strategy and these included not only policy development and influence but also the need to focus on links with business and provide more support for project development. In this latter respect, the team in Brussels have become actively involved in supporting KCC colleagues not only in setting up projects but also in their actual delivery.
2. Mr Gasche had worked with Mr Pugh and his team for 3 years and one of their current EU-funded projects was the Regions of Connected Knowledge (RoCK) Project. KCC's involvement is two-fold: one part looks at how to provide an improved rail service between Ebbsfleet, Ashford and Europe. The other part of the RoCK Project is a sub-project called the Ashford Spurs which looks at resignalling a short stretch of track so new-build international trains can serve Ashford. This is key to Ashford retaining international connectivity.
3. The Chairman asked Mr Pugh and Mr Gasche to present the Regions of Connected Knowledge Project in more detail.
4. Mr Pugh explained the background to KCC's involvement in the project. KCC has had a close interest in international rail services in the County since the Channel Tunnel was opened in 1994. When Eurostar decided to reduce services from Ashford International Station in the mid-2000s, KCC's Brussels Office, which had been part of the campaign to retain services, worked with the Brussels office liaising with French colleagues to maintain the service from Ashford. International rail appeared within the Council's 'Growth without Gridlock' transport vision for the next 20 years.
5. Mr Gasche explained that part one of the RoCK project's look at rail services between Kent and Europe had investigated if a stand-alone inter-regional rail service was viable. Stage two looked at scenarios and timetable options that would allow Eurostar to provide better connections between Kent Stations and the continent. This was work in progress and the next meeting of the RoCK partners was due in May 2014. Eurostar had been reticent about the plans but Mr Pugh and Mr Gasche had a good working relationship with Eurostar officers. Members considered that the ability to influence went hand in hand with the ability to secure European funding.
6. In response to a question about why the signalling problems at Ashford had arisen, Mr Gasche explained that, when the Channel Tunnel Rail Link (CTRL) was planned, the original route through Ashford was routed to the northern side of the station. Connecting tracks called spurs therefore had to be built at either end of the station to allow international trains to serve Ashford. These spurs were equipped with UK domestic signalling equipment and this is different to the signalling used on high speed lines. In the future, new international trains will be

required to have international standard signalling fitted rather than the UK domestic systems and so any new trains would not be able to access Ashford International. An upgrade is therefore required to the signalling.

7. During the first phase of the Ashford-spurs sub-project, consultants have recommended that Level 1 of the European Train Control System, known as ETCS, should be fitted. The 2nd phase of the Ashford Spurs project is the detailed development stage. Funding of £100,000 had already been committed but there was still a funding gap of £160,000 and two alternative funding options were being explored. These were through Network Rail and through a European lead at the Department for Transport. It was essential to meet the funding gap and officers were confident that further funding would be forthcoming.
8. Phase 3 was the implementation stage which was currently unfunded but was being developed.
9. Mr Pugh explained that the work at Ashford was a good example of where KCC's policy priorities were being strengthened through European work.
10. Members considered that the key to effective transport links was regularity, accessibility and reliability. The Select Committee was solidly supportive of the Ashford Spurs project.
11. In response to a question, Mr Pugh confirmed that all of the MEPs that he had spoken to were supportive of trains stopping at Ashford; there was support for connectivity out of Kent to Europe.
12. The Chairman of the Select Committee reiterated that what had been achieved so far with international rail could not have been achieved without the support of the French and vice versa. This illustrated the benefits to KCC and Kent of partners working together.
13. Mr Marsh set out some of the reasons why these circumstances had arisen, it was considered that Eurostar was focussed on gaining the shortest journey time to their European destination and there were advantages in time saved by not stopping at Ebbsfleet and Ashford. It was necessary to work with Eurostar to ensure that there is a system that worked and could be financed. Particularly with the overriding message of Sustainable Green Transport; this was an important issue which should be taken up by Kent's International Group.
14. Mr Daley commented that this was not only about receiving money from Europe, it was necessary to have the support of the Department for Transport.
15. Mr Gasche explained that these issues should ideally have been picked up earlier and included in the Control Period 5 Settlement and a meeting was due to be held with the Department for Transport later in January 2014.
16. In response to a question about the implications of not undertaking this work Mr Gasche explained that firstly, the existing service at Ashford would begin to be run down as new stock on the Paris route was used. By 2020 there was concern that Ashford would cease to have links with Paris. The other important point was that Deutsche Bahn had aspirations to link Frankfurt and Cologne via Brussels to

London. They were also open to the future possibility of a stop in Kent and this could not be at Ashford if this project was not completed.

17. Mr Pugh explained that the UK Government had recently put its stake in Eurostar up for sale and KCC might have views on which prospective bidders might also best represent the interests of Kent.

18. The Chairman then asked Mr Pugh for a brief overview of other work being carried out in Brussels. Mr Pugh explained that staff were currently working with the Education Directorate on projects related to the Great War and the concept of extended schools. They were also working with Families and Social Care on the use of assistive technologies in health and social care provision. He also explained that they continue to maintain close links with UK Government representatives in Belgium to explore opportunities for promoting Kent further.

8. 12.00 noon - Erica Russell - Head of Sustainability - BSK
(Item 6)

Erica Russell – Director BSK – CIC

1. Ms Russell give a brief introduction into her work experience, BSK had been in existence since 2002 and had 25 employees. They worked with small businesses to support them to grow and develop their funding and technology. BSK operate the HighGrowthKent coaching team, which was funded by KCC, to offer tangible support for ambitious, growth focused businesses. BSK are involved in a number of projects, including life programmes, Interreg, Leonardo, EEN EACI across Europe and regional ERDF/ESF European funding led to skills development, job creation and international trade.
2. In response to a question about the use of tidal power in Kent Ms Russell confirmed that work was being undertaken at Isle of Wight Council into tidal power but that the technology and research needed to be brought into the South East region to allow Kent to progress, she believed there were currently no major companies in Kent working on tidal renewable energy.
3. Bearing in mind Kent had a Small Medium Enterprise (SME) economy a member asked how receptive Kent SMEs were to environmental ideas. Ms Russell explained that in 2006 there was little response or interest; ideas had to be framed within a business context, to increase sales for the business and reduce cost. It had been found that legislation was the least influential factor.
4. Ms Russell explained that BSK worked closely with Greenwich University and grants were offered through a consortium of £50,000 for feasibility studies. Innovation vouchers were also available of £4,000-worth of university research to support projects.
5. In response to a question about the use of offshore wind energy Ms Russell explained that a mix of renewable energy was used, offshore wind was part of this. There were more SMEs involved in offshore wind and this was slowly increasing. Swale Skills centre ran courses for apprentices in the energy sector.

6. It was important to find a way of tapping into European funding to help SMEs, and a member asked how KCC could best support SMEs in Kent. Ms Russell explained that KCC could help in a combination of ways, the Regional Growth Fund was a very positive support to allow funding to grow; coaching and support had also proved successful. KCC's work on climate change adaptations was once of the best in Europe, it was important that the funding structure had support from KCC behind it. Ms Russell could then be commissioned to sell to the SMEs.
7. In response to a question about the level of awareness of European funding Ms Russell explained that the level was currently low however caution was advised about suddenly raising awareness. EU funding was complex to manage and KCC's work with the RGF had been good because KCC were able to manage the complexity of the funding structures. It was possible for SMEs to be served and represented by KCC. Most SMEs were not worried about where the funding was coming from and would prefer projects to be managed by KCC (or a similar public body) to reduce bureaucracy. SMEs also found it expensive to write bids but a well constructed bid was very valuable.