KENT COUNTY COUNCIL

KENT & MEDWAY ECONOMIC PARTNERSHIP (KMEP)

MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held in the Medway Innovation Centre, Maidstone Road, Chatham, ME5 9FD on Monday, 8 September 2014.

Business representatives Geoff Miles (Chair) Douglas Horner Roger House Jo James Vince Lucas Andrew Metcalf Jon Regan Paul Thomas Paul Winter Higher education representative Carole Barron	Elected local government representatives Annabelle Blackmore (Maidstone and Tunbridge Wells) Paul Carter (Kent County Council) Rodney Chambers (Medway) Peter Fleming (Sevenoaks and Tonbridge & Malling) John Gilbey (Canterbury and Swale) Paul Watkins (Dover and Thanet) Further education representative Graham Razey
Higher education representative Carole Barron	

Non-voting participants present

Iris Johnston (Thanet District Council)

Officers in attendance

Julie Beilby (Tonbridge & Malling), Alison Broom (Maidstone), Ann Carruthers (KCC) Robin Cooper (Medway), Ross Gill (KCC/ KMEP Secretariat), David Godfrey (SE LEP), Madeline Homer (Thanet), Tim Ingleton (Dover), David Liston-Jones (Thames Gateway Kent Partnership), Karla Phillips (KCC), Susan Priest (Shepway), Mike Rayner (KCC).

Apologies Business representatives Graham Brown Eliot Forster Paul Gardiner Nick Sandford	 Higher education representative Prof Dame Julia Goodfellow

UNRESTRICTED ITEMS

1. Welcome, introductions and apologies for absence
(Item 1)

The Chairman, Mr Geoff Miles, opened the meeting and welcomed those present.

Apologies for absence were received from the following members:

- Graham brown, Eliot Foster, Paul Gardiner, Nick Sandford and Prof. Dame Julia Goodfellow

2. Minutes of the previous meeting held on 14 July 2014
(Item 2)

The minutes of the previous meeting were agreed as a correct record.

There were no amendments or maters arising.

3. Local Growth Fund: Government feedback and next steps
(Item 3)

The Partnership received a report by Ross Gill, Economic Strategy and Policy Manager which summarised the feedback received from Central Government regarding the Local Growth Fund allocation and the reasons for selection of particular projects over others.

In addition, the report sought to establish a strategic direction from the Partnership regarding a small number of additional project allocations that may become available in the autumn.

<u>Government Feedback</u>

Ross Gill introduced the report for the Partnership; in particular he referred to the following:

i. Government had selected projects based on three criteria:
    a. Assessment of the overall Strategic Plan
    b. Project level assessment
    c. Review of local prioritisation

ii. A large proportion of the project allocation funding (£127 million) would support transport projects with a further £6million of capital funding allocated

to the Kent and Medway Growth Hub.

iii. Revenue funding of £800k had been allocated to the wider LEP area for business support. It was envisaged that this money would link with the priorities emerging form the Innovation and Growth Strategy.

iv. A further round of Local Growth Fund bids would be launched in November, although the pot was likely to be small. The Partnership was asked to indicate whether non-funded transport projects form the original priority lists should be resubmitted or whether new, non-transport schemes should be pursued.

Programme Delivery

Ann Carruthers, Transport Strategy Delivery Manager noted that the LGF Transport Programme was of a significant scale and would require significant resources and robust governance in order for it to be successfully delivered. Mr Carter, Leader Kent County Council asked for clarity regarding liability for any overspend, or the benefits of any underspend, on schemes within the programme.

The Board sought advice from officers regarding the likelihood of delivering those projects for which funding had been allocated to time and in line with costs set out in the application. It was agreed that a high level analysis of risks across the programme should be brought forward to the next Board.

Jo James, of Kent Invicta Chamber of Commerce sought to establish whether the £6million of non-transport capital funding could be reasonably used to fund some of the business support work linked to the planned Growth Hub. Officers considered that this was likely to be possible. She expanded on current work in this area, including the establishment of a LEP wide steering group to develop the Growth Hub.

Governance Review

The Partnership discussed the review of LEP governance that would be undertaken by Irene Lucas and the Terms of Reference contained at Appendix 1 of the report.

Concerns were raised about the legitimacy of any ‘decision’ to reallocate project funding and where such decisions should be taken. It was noted that the Irene Lucas review would be an opportunity to provide greater clarity to the federated model; however, it was suggested that without further assurance regarding the competency of the accountable body and the strength of the federated bodies, the LEP could be disbanded and reformed along different geographical lines.

Vince Lucas remarked that the focus on governance could discourage business engagement. He urged the Board to think about the longer term strategy, to allow businesses to use their strengths to help and to represent the needs of Kent and Medway in the second and future rounds of bidding.

LGF Round 2

The Board was asked to determine whether LGF Round 2 should primarily focus on the resubmission of transport projects first proposed in Round 1, or whether new projects should be brought forward.

The Board generally expressed support for the former course.

It was resolved that:

a) The feedback from Government be noted;
b) The work to bring forward schemes approved be noted;
c) That resubmission of unsuccessful round 1 transport bids to the round two funding allocation be supported.

4. Capital Investment in Skills: Priorities and strategy for Kent and Medway
(Item 4)

The Partnership received a report describing the Growth Deal allocation of £22 million of funding for capital investment in skills in 2015/16 and 2016/17 and the anticipated process for securing funds for particular projects. The report also sought views from partnership members as to the preferred distribution of those funds in order to inform future negotiations at LEP level.

Ross Gill introduced the item for the Partnership and in particular referred to the following:

i. That allocations would be made on a competitive basis and would be assessed by the Skills Funding Agency.

ii. That the LEP would define the broad priorities under which the applications for funding were made and as a result KMEP would need to influence those priorities.

The item was opened for discussion. The Partnership was supportive of efforts to prepare for the competitive process. However, it considered that the lack of control of the process at local level reflected the limitations of the federated model.

Jo Jones welcomed the funding and the opportunity to further skills provision in the County. She urged the partnership to particularly support work related to Ashford International College.

The Board expressed concerns about the way in which the need based criteria might be applied reiterated the importance of taking this early opportunity to define the criteria by which the applications would be judged.

It was agreed that further priority setting work be undertaken.

5. European Structural and Investment Funds: Update
(Item 5)

The Partnership received a report providing an update on the European Structural and Investment Funds.

Lorraine George introduced the item and, in particular, referred to the following:

i. That the three funds, ERDF, ESF and the EAFRD would soon be looking to call for projects and that KMEP and the LEP must be ready to act as soon as that happened.

ii. That a Local Implementation Plan (LIP) would be produced in order to identify the priorities of the SELEP area. Whilst these must be broadly in line with Government Policies and Programmes, there would still be an opportunity to shape local investment

iii. For each thematic objective contained within the LIP, the investment required for specific outcomes must be identified.

iv. That an ESIF Committee had been established and would be working on LEP wide applications in order to be ready for a call for projects in January.

The floor was opened to discussion. Mr Carter considered the amount of money at stake in the European Funds to be so considerable that additional project development resources might be needed in order to ensure that the applications were successful. He assured partnership members that KCC was committed to ensuring successful application and delivery for the right projects.

Lorraine George reiterated the importance of speed at this time. She asked the partnership members to focus on strategic priorities which officers would 'translate' in to bid application or LIP language as required.

Lorraine confirmed that a first rough draft would be completed within a week and distributed to Partnership members for comment when it would be updated as a first draft proper and brought back to future meetings for continued discussion.

Partnership members made suggestions for potential projects; Low Carbon projects, Growth Hubs and business support. It was suggested that the 'strands' that had been established at a previous meeting be further explored to identify those that had traction and should be pursued.

It was agreed that the report be noted and actions identified during the discussion undertaken.

6. Major economic developments

(Item 6)

Partnership Members were invited to update the meeting regarding major economic developments of which they were aware.

Housing Development - Medway

Mr Rodney Chambers, Leader of Medway Council reported that planning consent had been granted for a development of 5000 new homes at Lodge Hill and was now being assessed by the Secretary of State. It was hoped that the mitigation proposed to protect wildlife would now be sufficient for the scheme to go ahead.

Davis Commission - Report
That Board noted positively that the Davis Commission had 'rejected' the idea of an Airport Thames Estuary.

Manston Airport
Councillor Iris Johnston, Leader, Thanet District Council updated the Partnership on progress and conformed that a report would be taken to Cabinet at Thanet later that week.

7. Any other business
(Item 7)

Mr Miles, Chairman reported that Mr Roger House was standing down from the Partnership after many years of chairing the Federation of Small Business in Kent and Medway. The Board thanked him for his contribution.

8. Future meeting dates
(Item 8)

The Partnership confirmed the future meetings dates as:

Tuesday 7 October 2014

Monday 10 November 2014 - earlier start time of 4pm

Monday 1 December 2014