

KENT COUNTY COUNCIL

GROWTH ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE

MINUTES of a meeting of the Growth Economic Development and Communities Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 19 July 2016.

PRESENT: Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman), Mr M Baldock, Mr A H T Bowles, Mr B E Clark, Mr J A Kite, MBE, Mr G Lymer, Mr S C Manion (Substitute for Miss S J Carey), Mr R A Marsh (Substitute for Mr D L Brazier), Mr F McKenna, Mrs E D Rowbotham, Mr C Simkins and Mr R Truelove

ALSO PRESENT: Mr M C Dance and Mr P M Hill, OBE

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr R Gill (Economic Policy and Strategy Manager), Ms J Ward (Regional Growth Fund Programme Manager), Mr Jarvis (Kent Downs and Marshes Leader Manager), Mr R Moys (Head of International Affairs), Mrs S Nurden (Kent and Medway Economic Partnership's Strategic Programme Manager) and Ms C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

164. Apologies and Substitutes

(Item A2)

Apologies were received from Mr Brazier substituted by Mr Marsh and Miss Carey substituted by Mr Manion.

165. Declarations of Interest by Members in items on the Agenda

(Item A3)

Mr Bowles made a declaration of interest during Item C2 as he sat on the Kent Downs and Marshes Local Action Group Executive, a non KCC appointment.

166. Minutes of the meeting held on 17 May 2016

(Item A4)

RESOLVED that the Minutes of the meeting held on 17 May 2016 were correctly recorded subject to page 13 paragraph 158 2(b) bullet point six in the second sentence the words "ought to" be added after the words "Local Plan", and in 2(c) bullet point five the words "in his opinion" being added after the words "reflected that" and that they be signed by the Chairman.

167. Verbal updates by Cabinet Members and Corporate Director

(Item A5)

1. The Cabinet Members, Mr Dance and Mr Hill were invited to give their verbal updates.

2. Mr Hill advised on four items as follows:

- *The Turner Contemporary Gallery Trust*

Mr Clive Stephens had been newly appointed Chairman of the Trust.

- *Kent School Games Finals*

This had been the biggest year for the Kent School Games with 7000 young people taking part. Tracey Crouch, Minister for Sport and the Olympics attended the event with her new baby.

- *Kent County Show*

The Kent County Council Stand won 1st prize "The Geering Trophy - Best Large Trade stand". This was a tribute to all the hard work undertaken by Officers.

- *Kent History Centre Medieval Kent*

On the 11 July the final launch of the Kent History Centre Medieval Kent took place. This started in 1989 and had been a long running history project with the 10th volume finally being produced.

3. Mr Dance advised on the following:

- *Broadband*

A Broadband Member Briefing was held when Members were advised that 95.7% Broadband coverage would be achieved by the end of 2018. Another Member briefing would be arranged early next year.

- *Kentish Flats Extension*

Mr Dance attended the Kentish Flats Extension, on the off shore windfarm to Vattenfall. He advised that off shore windfarms were being placed in shallow water reducing the cost of erecting the wind energy platforms, He advised that they were also looking at an Extension off Margate. The Kent coast was home to 25% of the country's off shore wind power.

- *KEiBA Awards*

This was an award scheme staged and produced by Kent County Council and the KM Media Group to reward excellence in businesses in Kent and Medway. An evening event attended by over 600 people was held in June at the Kent County Showground when a variety of Kent companies received their awards.

- *Nord-Pas-de-Calais*

Mr Dance advised that he had visited Nord-Pas-de-Calais following the UK vote to leave the EU. Discussions had been held with Nord-Pas-de-Calais at the opening of the replica of the Globe Theatre. Mr Dance had also visited the region of the Nord-Pas-de-Calais et Picardie where he had discussed Interreg funding with officials. They managed three Interreg funds and were keen for Kent to put in new bids. Members would have the opportunity to discuss this further at item C3 later on this agenda.

- *Manston*

Mr Dance advised that outside the boundary of Manston Airport, KCC owned land with Thanet Borough Council called East Kent Opportunities (EKO). Commercial

property would be built on this land and 400 jobs would be created in a roll out of 60 start-up industrial units with an aim to establish 90 units in total.

4. Comments and questions by Members were answered by Mr Dance as follows:
 - Kent had a target for 95% Broadband coverage but due to officers good work they were able to stretch that to 95.7%. The roll out of 4G was still unknown and the online Ofcom map did not relate to signal strength. Mr Dance assured Members that Kent was doing better than many other areas of the country.
 - Mr Dance said that the government phased the finances for wind power projects. As the costs came down the subsidies to the offshore wind industry were reduced. Bringing the power ashore in Kent was costly.
 - Mr Dance said that the interaction with the Nord-Pas-de-Calais would continue. The plan was for French schools to continue to meet with Kent primary school children.
 - A comment was made that KCC should push forward for what it wanted despite the uncertainty since the UK voted to leave the EU.
 - It was suggested that without Broadband rural areas would be isolated.
5. RESOLVED that the comments and responses to questions by Members and the information in the verbal updates be noted.

168. Presentation on Ebbsfleet Garden City *(Item A6)*

1. The Chief Executive of the Ebbsfleet Development Corporation, Mr Spooner, was welcomed by the Chairman and invited to give his presentation on the master plan for Ebbsfleet Garden City.

2. Mr Spooner said Ebbsfleet was the first Garden City for 400 years and that it would be delivered in collaboration with stakeholders and the private sector. Mr Spooner advised that the Ebbsfleet Development Corporation was the planning authority and was developing a master plan for the area and his role was to accelerate the delivery of the Garden City. He outlined the achievements to date and outlined the proposals for 2016/17 as follows:

- Post UK European referendum – housebuilders remain confident
- 5 house builders on-site, Countryside Homes building the first new homes in Springhead Park for four years.
- On target for over 600 starts on site in 2016/17.
- Draft Garden City master plan ready for final agreement in September.
- 1,400 homes consented since October 2015 and a new primary school consented and agreed with KCC.
- New bridge linking Springhead Park with Ebbsfleet International approved – delivery by KCC.
- Core utility strategy in place and procurement of network and additional capacity agreed with providers

3. Concerns and questions by Members were responded to by Mr Spooner and Mr Dance as follows:

- A comment was made that this was a template for a new community that would be here for 100 years plus and the need for quality development was key.
- There was a plea for Dartford Borough Council to ensure the delivery of the necessary infrastructure.
- Mr Spooner advised that a decision on a low carbon emissions target was yet to be made. There were ten key performance indicators and air quality was one of them. The key performance indicators would be reviewed each year.
- A Transport Strategy including bus routes was being developed with KCC. The Strategy would also include the design of haulage routes.
- Mr Spooner assured Members that they would be working with the developers to achieve the highest standards.
- Mr Spooner agreed that there was a moral duty to provide opportunities of employment within the local community, as well as the opportunity for self-builds. He assured Members that developers were providing green space/community space within the project.
- A comment was made that much improvement made to the access roads was required to enable the proposed London Paramount site to be developed.
- A Member said that they did not like the strapline “*Where London meets the Garden of England*”.
- The following suggestions were made for consideration:
 - More affordable housing for local people and residential caravan parks.
 - Riverside transport
 - Elderly Care homes
 - Housing provision for single people

4. Mr Spooner agreed with the spirit of the points raised by Members.

5. RESOLVED that the comments and responses to questions by Members and the information given in the presentation by Mr Spooner be noted.

169. Local Growth Fund Round 3 and Large Local Major Schemes
(Item C1)

1. The Kent and Medway Economic Partnership’s Strategic Programme Manager, Mrs Nurden, introduced a report on the government launch of two new calls for project proposals that would help unlock economic growth in local areas of Kent.

2. In the first call, Local Enterprise Partnerships (LEPs) were invited to bid for a share of the third tranche of the Local Growth Fund, worth £1.8 billion across England. Mrs Nurden advised that the Kent and Medway Economic Partnership had endorsed the business cases for 21 Schemes. The total value of the 21 schemes was in the region of £75 million. One of the 21 business cases had subsequently been withdrawn by the applicant (East Kent Spatial Development Company).

3. In the second call, LEPs were invited to bid for a share of the Large Local Major Schemes (LLMS) funding, worth £475m across England. To bid for LLMS,

LEPs were required to submit large scale transport business cases to the DfT, which were compliant with the Department's business case methodology (known as WebTAG). There were very few large scale projects with a WebTAG-compliant business case already developed, due to the high cost of undertaking this type of project development work and none at present in Kent and Medway. The DfT was, therefore, allocating some of the £475m to support LEPs in developing new WebTAG-compliant business cases. The Cabinet Committee noted that the Kent and Medway Economic Partnership (KMEP), at its meeting on 14 June, had endorsed the submission of a LLMS bid to develop a WebTAG-complaint business case for Junction J7 of the M2 (known locally as Brenley Corner).

4. The Cabinet Committee was asked to endorse the proposed record of decision. This decision stated that Kent County Council would endorse the bid submission, act as the accountable body for projects within its geographical boundaries and delegate authority to the Section 151 Officer to sign a grant offer letter or equivalent.

5. The Corporate Director, Mrs Cooper, explained the work carried out to produce a list in rank order of the projects and the government had the last word in choosing which projects to support.

6. On concerns raised and questions asked; Mrs Cooper, Mrs Nurden and Mr Gill made the following responses:

- Mrs Cooper said the LEP was bidding was to a different ministerial team. KCC had referred to growth in the strongest narrative possible and each bid was accompanied by a supporting business case.
- Mr Bowles made a plea for M2 Junction 7 which would have a wider benefit for Thanet, Dover etc. This would open up housing possibilities. He expressed frustration with the different rankings on various lists produced by different entities.
- Mr Baldock considered that the process was messy and uncertain. He referred to the priority given to Junction 7 of the M2 and had concerns about other junctions that were suffering peak hour congestion including Goudhurst and Bobbing. He suggested that the list was not comprehensive. Mr Ratcliffe said that projects for the Large Local Means Fund had to have a minimum cost of £75 million and that improvements to the Junctions on the A249 would not come to £75 million. He also said local authorities were precluded from grouping projects.
- Mr Trulove referred to the Lower Road in Sheppey stating that half of the Isle of Sheppey spent their travel time in traffic queues.
- Mr Kite said that KMEP and its closest partners and colleagues across the county had been helpful and had worked well together. He considered that the Committee could not support both KMEP and SELEP as the assessments of projects were not compatible. He suggested that the recommendation in the report at the first bullet point be altered by removing the words "& the South East Local Enterprise Partnership".
- Mrs Cooper advised that the report was submitted to Cabinet yesterday, 18 July and it was agreed that the report would only be agreed by the Leader if SELEP agreed the KMEP list.

- Mrs Nurden confirmed that the letter on page 23 set out the criteria. Mrs Cooper added that the four criteria in paragraph 2.4 shaped KMEP's prioritisation.
- Mr Gill advised that the Kent and Medway Edge Hub, was sponsored by Canterbury Christ Church University and would support investment in engineering and technology businesses. Members noted that the university was providing match funding. The A2 off slip at Wincheap, Canterbury was important to this scheme.
- Mr Marsh supported the changes to the recommendation proposed by Mr Kite.

7. The Chairman asked Members if they supported the changes to the recommendation as proposed by Mr Kite. Members agreed to remove the words "& the South East Local Enterprise Partnership" in the first bullet point in the recommendation.

8. RESOLVED that:-

- (a) the comments and responses to questions by Members be noted;
- (b) the Cabinet Committee noted the proposed decision to be taken by the Leader of the Council, for Kent County Council to:
 - Endorse the Local Growth Fund Round 3 (LGF3) and Large Local Major Scheme (LLMS) bid submissions to Government proposed by the Kent & Medway Economic Partnership. *(Removing the wording "& the South East Local Enterprise Partnership")*
 - Act as the accountable body for projects within Kent County Council's geographical boundaries that are selected by the Government to receive LGF3 and LLMS funding.
 - Delegate to the Section 151 Officer, the authority to sign on KCC's behalf a grant offer letter or equivalent, where this is required to draw down funds following business case approval.

170. East Kent and Kent Downs and Marshes LEADER Programmes (2014-2020)

(Item C2)

(Mr Bowles made a declaration of interest as he sat on the Kent Downs and Marshes Local Action Group Executive, a non KCC appointment)

1. The LEADER Programme Manager, Mr Jarvis, introduced a report that asked Members to note how the Kent Downs and Marshes; and the East Kent programmes were put together by KCC with support from the respective district councils and local rural organisations since autumn 2014, what the outputs were and how they would be delivered during the period to 2020.

2. The Kent Downs and Marshes LEADER Programme had been awarded £1.886 million for the period of 2020; and the East Kent LEADER £1.586 million for projects that contributed to rural economic growth in their respective areas.

3. Mr Jarvis advised that the LEADER Programmes in Kent had a slow start but were now rapidly gaining momentum. East Kent in particular had been slower as it was a new programme area. A Local Action Group Executive of 11 for each LEADER area had been established to assess and the projects to be funded.

4. Mr Jarvis responded to questions by Members as follows:

- This was a rural funding programme and any area classed as urban would not be eligible for grant funding. Quex House Estate was on the border of the East Kent LEADER area and Mr Jarvis would be writing to DEFRA to request that the boundary area be redesigned. East Kent LEADER would be looking at locations on the edge of its area to see if these could be added. The Boundaries had been drawn up in conjunction with the local authorities involved and they could be reviewed in the future.
- Mr Jarvis agreed to include information on performance in future reports so that Members are able to measure targets year on year.

5. RESOLVED that:-

- (a) the comments and responses to questions by Members be noted;
- (b) information on the performance of the LEADER Programme be included in future reports;
- (c) the report be noted.

171. Impact of the EU Referendum on European Funding *(Item C3)*

1. The Head of International Affairs, Mr Moys, introduced a report that highlighted the important contribution of EU funding to the delivery of corporate outcomes since 'Interreg 1A' in 1991 and considered the implications of the 'Brexit' on KCC's current programmes. Mr Moys considered that it was 'business as usual'. Recent successes included eight KCC and Kent projects securing £2.3 million in grants. This would assist with tourism, health and wellbeing, a new model for childcare and flood management in Kent.

2. Mr Moys and Mr Smith noted comments and responded to questions by Members as follows:

- A comment was made that before EU referendum Members had been assured that the existing arrangements would continue.
- It was suggested that the authority should be cautious about committing to any long term projects which appeared to be contrary to the government's approach.
- Mr Moys assured Members that any EU funding secured was linked to KCC's priorities.

3. RESOLVED that the comments and responses to questions by Members and the report be noted.

172. Devolution in Kent and Medway

(Item C4)

1. The Chairman said that Members of the County Council had discussed devolution at the last County Council meeting and that the programme of devolution remained problematic.

2. The Head of Economic Strategy and Partnerships, Mr Gill, explained the current proposals of the Kent and Medway Leaders for devolution, how they might progress and the potential next steps. He said that given the uncertainty of the current policy at national level, the Kent and Medway Leaders had unanimously agreed at their meeting on 27 June 2016 not to submit a devolution bid to the Government but to take forward many of the actions within existing governance arrangements.

3. Mr Gill and Mrs Cooper noted comments and responded to questions by Members as follows:

- A suggestion was made that there was a lot of good thinking in the Kent and Medway Leaders' draft document.
- A plea was made for there to be fewer acronyms in the draft document.
- The following points were made including:
 - The need to be more forceful when expressing KCC's position in the document;
 - The need for 158,500 new homes referred to in page 82 was questioned;
 - The need to ask "why there was more expansion".
 - The need for KCC to argue for sustainability in relation to transport;
- A comment was made that there may not be as much harmony in the districts as the paper suggested.
- Mrs Cooper said the County would not be divided into three. East Kent, was looking at how the five district/borough councils might come together to share and collaborate more to minimise duplication.

4. Mr Baldock asked that his objections to the report and rejection of the recommendation be noted.

5. RESOLVED that the comments and responses to questions by Members and the report be noted.

173. Work Programme 2016/17

(Item C5)

1. The Cabinet Committee considered its Work Programme for 2016/17 and suggested a report on the "Thames Estuary Programme" be submitted to a future meeting.

2. RESOLVED that the Work Programme for 2016/17 be agreed subject to the topic "Thames Estuary Programme" being added.

174. RGF Programmes and Framework for Monitoring Report

(Item D1)

1. The Growth Fund Programme Manager, Mrs Ward, introduced a report that provided Members with an update on the allocation of funds from the Expansion East Kent, Tiger, and Escalate schemes to companies in the format agreed by the Cabinet Committee.

2. Mrs Ward said bad debt had increased as a result of one company that had gone into administration. Members noted that the monitoring was one quarter behind and the process had been simplified which the businesses had welcomed.

3. Mrs Ward noted comments and responded to questions by Members as follows:

- Mrs Ward explained that there had now been four years' experience of the three funds, Expansion East Kent, Tiger, and Escalate. She said there were thresholds within the Red Amber Green [RAG] ratings and that a tolerance level may be introduced in programmes in the future.
- A comment was made that if KCC was a private company investing in those companies it would not be happy with the results detailed in the report. KCC should be expecting some social value from the investment.
- A request was made for more feedback on the social value of the loans and more information on repayments. Mrs Ward advised that the social value could be measured by the number of jobs created and the growth in the economy. She also said that that indirect employment, arising from the use of suppliers in the local area used by the business was now measured.
- With regard to repayments, targets and variations, some businesses repaid slightly earlier and some paid in full amount as one payment. To allow variation of the contract the performance of the business would be monitored over three months and the projection of the next three months. This would highlight any issues the business was having i.e. potential cash flow issues, sales forecast that was not met or an order that did not come through.
- A Member commented that he welcomed the RGF Programme and disagreed with the earlier comment "if KCC were a private company..." as these funds were set up to address the lack of funds to finance high risk companies.
- A further comment was made that it would be interesting to know how KCC compared in terms of funding and social value.
- It was suggested that KCC should be proud of these schemes and their achievements.
- Mrs Ward said that the criteria did not specify the number of jobs to be created. She agreed to forward information on the cost per job created to Members outside the meeting.
- A Member considered that there should be more positivity regarding the social value, price per contract/value to community and gave the example of a company in Dover that had gone from strength to strength employing local people. Mr Dance reminded Members that when the money was repaid that money was reinvested in other companies.

4. RESOLVED that:-

- (a) Mrs Ward would forward information regarding the cost per job created by those companies in receipt of funding from the three schemes;
- (b) the comments and responses to questions by Members and the report be noted.