

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 on Wednesday, 9 May 2018.

PRESENT: Mr S Holden (Vice-Chairman), Mrs R Binks, Mr M D Payne, Mr A H T Bowles, Mr D Butler, Mr I S Chittenden, Mr A Cook, Mr D Farrell, Mr A J Hook, Mr J A Kite, MBE, Mr G Lymer, Mr S C Manion, Mrs C Bell (Substitute for Mr P J Messenger), Mr H Rayner, Mr A M Ridgers and Mr J Wright

ALSO PRESENT: Mr M Hill, OBE (Cabinet Member for Community and Regulatory Services) and Mr M Dance (Cabinet Member for Economic Development)

IN ATTENDANCE: Barbara Cooper (Corporate Director for Growth Environment and Transport), David Smith (Director of Economic Development) and Georgina Little (Democratic Services officer)

UNRESTRICTED ITEMS

69. Apologies and Substitutes

(Item 2)

Apologies were received from Mr A Booth and Mr P Messenger, Mr M Payne and Mrs C Bell attended as substitutes respectively.

The Chair welcomed Mr Manion as the newest Member to the vacant post on the Growth, Economic Development and Communities Cabinet Committee.

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

(Item 3)

A Declaration of Interest was received from Mr A Cook in relation to item 11 (Kent Social Enterprise Fund: Report to Kent County Council) as a company with whom Mr Cook was involved with may have received a loan from The Kent Social Enterprise Loan Fund. Mr Cook remained in the room and took part in the discussion.

Mr G Lymer and Mr S Manion made a declaration to the committee in relation to item 12 (Members Visit to Districts) as they were Dover District Councillors and residents of the area.

71. Minutes of the meeting held on 7 March 2018

(Item 4)

RESOLVED that the minutes of the meeting held on 7 March 2018 are a correct record and that they be signed by the Chairman.

72. Verbal updates by Cabinet Members and Corporate Director

(Item 5)

1. Mr M Dance (Cabinet Member for Economic Development) said that Kent County Council's No Use Empty Scheme won the outstanding approach to regeneration category at the UK Housing Awards. Organised by the Chartered Institute of Housing, it was recognised as the most prestigious award within the housing sector and since 2005 it had delivered over 5,400 new homes. The Scheme offered applicants the opportunity to apply for short term, interest-free loans up to £25,000 per unit to refurbish the property or £40,000 for those situated in areas where the cost of living and house prices were higher. Mr Dance said that there was only one account of bad-debt within the 5,400 units of £50,000 and hoped that the scheme would continue to encourage property owners to work with Kent County Council in regenerating homes.
2. Mr M Hill, OBE (Cabinet Member for Community and Regulatory Services) informed the committee that Tonbridge Library reopened on 30 April 2018 after a major refurbishment and that a formal launch was due to take place in July.
3. Mr M Hill, OBE also provided an update on the Turner Contemporary Prize giving event for the Children's Art Competition and praised the quality of work and the effort of all those who took part. The winning pieces were due to go on exhibition at the Turner Contemporary in Margate on 14 June 2018 and recommended Members to attend.
4. Mrs Cooper (Corporate Director for Growth, Environment and Transport) informed Members that due to the committee cycle, officers were unable collate the necessary information in time for them to present the Performance Dashboard to the committee, however, this would be returning to the Growth, Economic Development and Communities Cabinet Committee in July 2018.

73. Kent Foundation

(Item 6)

Stuart Tanton (Director of Kent Foundation) and Julian Kirkness (Chairman of Kent Foundation) were in attendance for this item.

1. Stuart Tanton presented a series of slides that set out what the Kent Foundation Trust was, its achievements and future ambitions to enhance its support for young entrepreneurs and business start-ups in Kent.
2. In response to questions and comments, the officers provided the following information:
 - (a) Mr Tanton said that part of the plan for growth was to involve young people in the decision-making processes and the activities run by the Kent Foundation. There was two young Trustees who played an active role on the Kent Foundation Board who represented the thoughts and views of those that Kent Foundation supported. Networking events such as 'ABlast' had helped to create exciting opportunities for young entrepreneurs to grow their connections and showcase

their businesses to attract opportunities for growth. Mr Tanton said that the organisation relied on word of mouth due to limited resources and had encouraged Mentors to engage with young people to support business growth.

- (b) In terms of people's attitude towards business failure, Mr Tanton said that the younger generation tended to see failure as an opportunity to learn from their mistakes and move forward rather than a reason to relinquish their efforts.
 - (c) Mr Tanton said that the Kent Foundation had worked in conjunction with universities to promote and encourage young entrepreneurs, however, many of the young people using the service of the Kent Foundation did not have a university background. Many of those who sought additional help were often in the early stages of growing their business and wished to succeed in their efforts to ensure long term stability.
3. The committee commended the work of the Kent Foundation.
 4. RESOLVED that the information set out in the presentation and given in response to comments and questions be noted.

74. 18/00010 - Proposed Changes to Opening hours of the Archive Search Room at Kent History and Library Centre for decision

(Item 7)

James Pearson (Head of Service Libraries, Registration and Archives) and Barbara Bragg (Strategic Manager, Specialist and Support Services for Libraries, Registration and Archives) were in attendance for this item.

1. Mr M Hill, OBE (Cabinet Member for Community and Regulatory Services) introduced the report which set out the consultation feedback on the proposed changes to the opening times of the Archive search room at Kent History and Library Centre in Maidstone.
2. Mr Pearson said that the proposal had first been presented to the Growth, Economic Development and Communities Cabinet Committee on 1 February 2018 where Members were asked to endorse the proposal that the service progress to consultation. The report provided an update on the consultation process, the feedback from the results of the consultation and the recommendations for decision. Mr Pearson said that the evaluation of the consultation results led to a consideration of alternative proposals; the original recommendation proposed that the library closed on a Friday, however, having considered the feedback from the consultation, it was proposed that the closed day be changed to a Monday. There had also been a number of responses that had asked for a late-night opening, however, data and evidence on the hourly usage did not support the request and the arrangement was rejected but the service would be kept under review. Mr Pearson assured Members that whilst certain requests had been rejected at the present time, the Archive search room would continue to be reviewed on a regular basis. Work was also being done in partnership with 'Find My Past' to digitalise all parish records to ensure that LRA services continued to expand access to the archives online, this was a county service and not everyone could travel to Maidstone.

3. In response to questions and comments, the officers provided the following information:
 - (a) Mr Pearson said that the evaluation of the consultation results was completed by the LRA Customer Insight and Engagement team and that all evidence was collated using an intelligence led approach. The data showed that by shifting the extended hours to the end of the day rather than the start, this would have impacted on more users and therefore the proposal to open the Archive search room from 09:00am to 5:00pm from Tuesday to Saturday was deemed most appropriate for the benefit of all users.
 - (b) Mr Pearson welcomed the thanks and recognition from Members regarding Mr Hill's update on the reopening of Tonbridge Library following refurbishment and thanked those involved in the piece of work. He also reiterated the commendations to the contractors and the local LRA teams who had a significant role in transforming the service.
4. RESOLVED that the proposed decision to:
 - (a) Implement and publish revised opening hours for the Archive search room at Kent History and Library Centre; and
 - (b) For the Libraries, Registrational and Archives (LRA) service to progress to inform customers of these changes,be endorsed.

75. Revision of South East Local Enterprise Partnership's Strategic Economic Plan
(Item 8)

Sarah Nurden (KMEP Strategic Programme Manager) was in attendance for this item.

1. Mrs Nurden introduced the interim report that set out a short summary of the progress to date by the South East Local Enterprise Partnership (SELEP) in producing a refreshed Strategic Economic Plan for the South East. The key aim of this was to provide a coherent economic strategy to guide investment decisions of different public-sector bodies and to establish a framework for bids for finance for new projects. The report highlighted some of the key activity, the themes identified in the consultation feedback that could influence the Strategic Economic Plan and the next steps for future consultation meetings. Mrs Nurden said that the Business and Educators meeting was scheduled to take place on 25 May 2018 and that a Local Authority Leaders meeting was scheduled for early June 2018. Updates on the progress of the South East Local Enterprise Partnership Strategic Economic Plan would continue to be presented to Committee as deemed appropriate.
2. In response to questions and comments, the following information was provided:

- (a) Mrs Nurden assured Members that the revision of the SELEPs Strategic Economic Plan was not a draft document. The report was presented to the committee to allow Members the opportunity to see some of the themes from the consultation feedback. Mrs Cooper (Corporate Director of Growth, Environment and Transport) said that the Kent and Medway Economic Partnership (KMEP) were making attempts to ensure that the local views of public-sector organisations were incorporated into the SELEPs Strategic Economic Plan and a range of activity to rectify this was in place.
 - (b) Mrs Nurden welcomed Members request for more quantitative measures rather than qualitative measures or ambitions and the need for greater substance around some of the phrases used throughout the document.
 - (c) Mr Dance (Cabinet Member for Economic Development) acknowledged all valid points raised by Members, however, the key purpose of the Strategic Economic Plan was to provide guidance for the government around the issue of funding. Mr Dance informed the committee that the Thames Estuary 2050 Growth Commission was due to be reporting on Monday 14 May 2018 which would significantly impact on the work being done around the SELEPs Strategic Economic Plan.
3. Mr Kite proposed, and Mr Bowles seconded that a change be made to the recommendation on the report to say:

‘The Cabinet Committee is asked to note the activity underway to review and revise the South East Local Enterprise Partnership’s Strategic Economic Plan and offer its support to the Kent and Medway Economic Partnership’s ambition to ensure that the Strategic Economic Plan brings practical benefit to Kent.’

This was generally accepted by the committee.

4. RESOLVED that Cabinet Committee is note the activity underway to review and revise the South East Local Enterprise Partnership’s Strategic Economic Plan and offer its support to the Kent and Medway Economic Partnership’s ambition to ensure that the Strategic Economic Plan brings practical benefit to Kent

76. Regional Growth Funded Programmes Monitoring Report

(Item 9)

David Smith (Director of Economic Development) and Martin Riley (Economic Development Officer) were in attendance for this item.

1. Mr Smith introduced the report which summarised the results of Kent County Council’s monitoring returns of the three Regional Growth Funded (RGF) programmes for the period between 1 October 2017 to 31 December 2017. He informed the committee that due to discussions that took place within the Audit and Governance Committee on 24 April 2018, a supplementary report had been provided which listed Kent County Councils equity investments; all company names were within the public domain however reminded Members that discussions regarding the nature and value of those investments would need to take place in closed session.

2. As a supplement to this, Mr Riley said that the scheme had seen 2,709 jobs created since the last report in November 2017 with safeguarded jobs totalling 1,349. The RGF had managed to recover over £16.4 million which was recycled back into the Kent and Medway Business Fund, a scheme launched in 2017, however Kent County Council was in the process of seeking to recover £4,363,511 of defrayed funds. For those funds that could not be recovered, each company went through a rigorous administrative process before a final decision was made around the probability of recovery.
3. Mr Holden (Chair of the Growth, Economic Development and Communities Cabinet Committee) commended the success of the Regional Growth Funded programmes and the reinvestment of money from those companies whom Kent County Council had supported in providing loans.
4. In response to questions and comments, the following information was provided:
 - (a) Mr Smith said that all decisions required two signatures, one being that of the responsible Cabinet Member who would be responsible for the decision from a policy point of view as to whether there was value for money and whether the funding would come in the form of a loan, grant or equity investment; the second signature was that of the responsible Director on behalf of the officer whom under the Executive Scheme of Officer Delegation confirmed that the decision had been lawfully taken. Mr Smith assured Members that every company who had received financial assistance from the Regional Growth Funded went through an externally commissioned process of examination which involved a panel of Bank Managers, people who were experienced investors and entrepreneurs. When the programme was first launched, Kent County Council was aware that the £56 million government funded scheme was not a commercial lending activity, it's primary purpose was to produce an impact in Kent to improve social and economic development. Mr Smith informed the committee that the RGF had only accumulated 7% of unrecoverable funds compared to the 20% to 30% failure rate within the banking industry for the same category of companies.
 - (b) Mr Smith informed the committee that the coalition government exempted small companies from a full audit, however, they were required to have signed accounts. All companies within Kent County Council's portfolio were Company House registered and available to the public for review. In terms of the losses described by Members, Mr Smith assured the committee that Kent County Council monitored each loan recipient on a quarterly basis for those encountering problems with repayment or job creation we would seek detailed financial information such a company accounts to understand their current situation and seek to manage performance with a hands-on approach. In terms of those companies that were currently incurring losses, these were being managed on a regular basis to ensure a profitable return for the reinvestment of equity funds in the future.
 - (c) Mr Riley said that the report did not include Ashford as it had been only been added to the Expansion East Kent Regional Growth Funded Programme two years after the scheme was launched. The Government imposed submission deadline did not allow sufficient time for more companies in Ashford to apply for

the loan. Mr Riley agreed to provide an explanation of this within the report for clarity.

- (d) Mr Dance (Cabinet Member for Economic Development) acknowledged Members concerns around the governance and audit process of the scheme and welcomed Members the opportunity to liaise with the responsible officers outside of the committee. Grant Thornton (an independent accounting and consulting member firm) had assessed similar loan schemes around the country and said that Kent County Council demonstrated strong and improving relative performance in the creation and safeguarding of local jobs. Mr Dance reminded the committee that Kent County Council were unable to monitor the impact of the Regional Growth Funded Programme on existing companies thriving off the success of the companies who have received investments from Kent County Council.
- (e) Mr Riley confirmed that all existing company jobs would be safeguarded if declared at the point in which the funding was offered. If a company were to move to a new site and issue new contracts of employment, that these would not be deemed as new jobs unless these roles were additional to those originally monitored.
- (f) Mr Smith assured the committee that Kent County Council did not rely on audited accounts of those companies who had applied for a loan as these may have been historic, instead, the company would be asked to provide a current account and a future projection of the companies expected asset trajectory. Those assets would then be interrogated and if questionable, an assessment would then be carried out. Mr Smith reassured Members that Kent County Council was not prepared to rely on publicly audited accounts and said that a substantial amount of work was being done with companies who were not performing as well as anticipated to help improve the probability of their succession.
- (g) Mr Smith said that the UK government pushed the European Union (EU) to adopt a State Aid Regime to eliminate the risk of continental countries undercutting UK companies with subsidies. Kent County Council was responsible for ensuring its policy measures and projects complied with the rules set out in the regime and applied these to all companies within its portfolio. He advised Members that certain sized companies could not receive a 0% loan and reasons for this could be found online within the National Regulations. He said that whilst Brexit could potentially see small changes to the State Aid Regime following its departure from the EU, the UK government may have had further discretion on how those rules within the regime were applied.

5. RESOLVED that the report be noted.

77. 18/00024(a) & 18/00024(b) - Extending the Reach of Superfast Broadband (Item 10)

Elizabeth Harrison (Strategic Programme Manager) was in attendance for this item.

1. Mrs Harrison introduced the report which set out the plans to extend superfast broadband coverage across Kent by extending the current Broadband Delivery UK Phase 2 by reinvesting the additional £4.545 million of gainshare

funding available to Kent to increase the coverage of superfast broadband; and by delivering a Kent Voucher Scheme to pilot approaches for connecting properties in areas that still fell outside the scope of the extended Broadband Delivery UK Phase 2 project. The paper also provided an update to the committee on three complementary government schemes which were intended to help improve broadband connectivity.

2. In response to comments and questions, the following information was provided:

(a) Mrs Harrison advised the committee that once the Kent Voucher Scheme had been launched, further information on how to access the vouchers would be circulated. Mrs Harrison invited Members to liaise with the responsible officers on a one-to-one basis if they required additional information.

(b) Mrs Harrison informed the committee that there had been some issues with the street works undertaken by another provider delivering their own broadband upgrade programme, which was separate to the Council's BDUK contract. Kent Highways Services had taken action to rectify these issues. If Members wished to report any outstanding matters, Mrs Harrison asked that these be conveyed to the Highways Team for investigation.

(c) Mr Dance (Cabinet Member for Economic Development) said that the Kent Voucher Scheme would offer a greater range of technical solutions and would be open to properties that would not have qualified for the Government's 'Better Broadband Scheme'.

3. Members commended the work of the officers.

4. RESOLVED that the proposed decision to:

(a) Invest the additional £4.545 million of available additional gainshare funding to increase superfast broadband coverage in Kent by extending the Broadband Delivery UK Phase 2 contract, subject to value for money and state aid requirements being met; and

(b) Launch a Kent Voucher scheme to support properties in final 5% locations with poor connectivity to get access to a superfast broadband service,

be endorsed.

78. Kent Social Enterprise Fund: Report to Kent County Council *(Item 11)*

Josephine McCartney (Chief Executive of the Kent Social Enterprise Loan Fund) was in attendance for this item.

1. Mr M Hill, OBE (Cabinet Member for Community and Regulatory Services) introduced the report from Kent Community Foundation which set out the performance of the Kent Social Enterprise Loan Fund from 2012 to 2017 as part of the agreed governance arrangements in place with Kent County Council.
2. Mrs McCartney said that the Kent Community Foundation was a professional grant making organisation established in 2001 to provide finance and support to grassroots organisations and, to date, had distributed over £30 million in grants to Kent and Medway. In 2012, the Kent Community Foundation launched the Social Lending Programme, The Kent Social Enterprise Loan Fund (previously known as the Kent Big Society Fund) which was supported by a £3 million donation from Kent County Council and had received additional funding of £500,000 from the Big Lottery Growth Fund and £215,000 from private donations. Mrs McCartney said that the initial agreement with Kent County Council was 20% of the total value of the loan as a grant, however, due to the injection of additional grant monies into the fund from the Big Lottery, Kent Community Foundation was able to offer an improved finance package of up to 30% of the loan value as a grant. Mrs McCartney said that the loan fund was established to provide additional funding to charities and enterprises that had the ability to generate revenue and drew Members attention to the main headlines set out within Appendix A, the Kent Big Society Fund Review document.
3. In response to comments and questions, the following information was provided:
 - (a) Mrs McCartney reassured the committee that the investment panel's role was to scrutinise all existing loan arrangements which were defaulting. The loans drawn from the fund were unsecured which meant that companies were not asked to sell assets or make return payments if they could not afford to do so, therefore it was in the best interest of the Kent Community Fund to provide free advice and business assistance to organisations to alleviate the risk of debt. Mrs McCartney assured Members that the investment panel would need to go through a rigorous process before a decision could be made as to whether the investment would be pursued or considered as a loss.
4. Members commended the work carried out by the Kent Community Foundation and supported the organisations efforts in regenerating money back into the voluntary sectors following recent budgetary reductions from Government.
5. RESOLVED that the committee note the report.

79. Members' Visit to Dover District April 2018 *(Item 12)*

Rob Hancock (Programme Manager) was in attendance for this item.

1. Mr Hancock introduced the report which summarised the outcomes of the recent visit by Kent County Council Members to Dover District and which put forth a suggested programme of visits to other Kent districts for 2018/19. Since the publication of the report, Mr Hancock confirmed that the following visits had been confirmed however dates were yet to be finalised and these would be distributed to Members in due course:

- Thanet
- Ashford
- Ebbsfleet

Visits to Maidstone and Gravesham were yet to be confirmed.

2. Members commended the report and the aspirations presented by Dover District Council and thanked those responsible for organising the visit. Members accredited the efforts and enthusiasm of Tim Ingleton (Head of Inward Investment, Dover District Council) and his team.
3. RESOLVED that the report be endorsed.

80. Work Programme 2018
(Item 13)

1. RESOLVED that the work programme be noted subject the inclusion of the following items:
 - (a) Kent County Council's response to the Thames Estuary Commission - (July Cabinet Committee)
 - (b) Update report on the South East Local Enterprise Partnership (SELEP's) Strategic economic plan - (July Cabinet Committee)
 - (c) Update report on the Economic and Productivity Strategy - (July Cabinet Committee)
 - (d) Apprenticeships and update on the Carillion Apprenticeship adoption grant
 - (e) The London Resort Company Holdings (LRCH) regeneration project

Mr Rayner wished to declare an interest in relation to all future discussions concerning the London Resort Company Holdings (LRCH) regeneration project as Managing Director of Phoenix Park Management Company Limited.

Signed:

Dated: