

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 Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 21 September 2021.

PRESENT: Sir Paul Carter, CBE (Chairman), Mr Baker (Vice-Chairman), Mrs R Binks, Mr T Cannon, Ms M Dawkins, Mr S Holden, Mr M A J Hood, Mr J A Kite, MBE, Mr S C Manion, Ms J Meade, Mr J Meade, Mr D Robey, Mr M J Sole, Mr S Webb, Mr J Wright and Mr G Cooke

ALSO PRESENT: Mr P M Hill, OBE and Mr D Murphy

IN ATTENDANCE: Mr S Jones (Corporate Director for Growth, Environment and Transport), Mrs S Holt-Castle (Director of Growth and Communities) and Ms E Kennedy (Democratic Services Officer)

UNRESTRICTED ITEMS

14. Apologies and Substitutes

(Item 2)

Apologies were received from Mr Broadley for whom Mr Cooke was present.

15. Declarations of Interest

(Item 3)

There were no declarations of interest.

16. Minutes of the meetings held on 27 May 2021 and 1 July 2021

(Item 4)

It was RESOLVED that the minutes of the meetings held on 27 May and 1 July 2021 were a correct record.

17. 21/00079 - Contracts for Post Mortem Facilities for the Mid Kent & Medway, North East Kent and Central & South East Kent coroner areas

(Item 10)

Mike Overbeke, Head of Public Protection was in attendance for this item.

1) Mr Hill introduced the report and explained it was a requirement to extend the contract until such time as the Digital Autopsy Service was 'up and running' as much of the work in future would be undertaken digitally.

2) Mr Overbeke presented the report and advised the Committee that the contract extension was for one year as a digital autopsy facility was to open next year in Kent.

3) Following questions and comments from Members, it was noted:

- A further update was requested regarding the Digital Autopsy Service and Coroners' accommodation.
- Digital autopsies used CT scanners instead of a more invasive process and it was a digital process. Senior Coroners had said they thought 20-25% would still require the invasive process as a follow up but were satisfied with the efficacy of the digital autopsies.

4) Members agreed to endorse the recommendations outlined in the report.

18. Verbal updates by the Cabinet Members and Corporate Director

(Item 5)

1) Mr Hill congratulated those who participated in the Olympic and Paralympic Games:

- Kate French from Meopham won gold in the modern pentathlon.
- For women's hockey, Susannah Townsend and Grace Balsdon from Canterbury won bronze medals.
- In the Paralympics, Will Bayley from Tunbridge Wells represented Team GB for table tennis and achieved two silver medals and Ross Wilson from Swale won a bronze medal for table tennis.
- Honourable mentions were given to Zak Skinner from Tonbridge and Malling and John Boyd Smith from Kingsdown.

Country parks were recovering from heavy usage during the pandemic and had been an invaluable resource. There was to be a review of the Kent Country Park Strategy and assistance from Members would be sought to assist officers in generating the strategy.

Kent's 99 libraries were all open and an engagement exercise was to be conducted with the public to see if people's needs had changed following the pandemic.

The Summer Reading Challenge was a success and there was still time for children to complete the challenge. Around 12,000 children participated, online or physically and over 6000 had completed the challenge.

There had been significant pressure on Ceremonies Services during the summer months, as many people had delayed their ceremonies due to the pandemic and the constraints on how many people could attend. However, the service was back to normal and open for bookings. 60% more ceremonies were carried out on top of the normal amount pre-pandemic. 3624 ceremonies had been completed since April 2021, of which around 2500 were during July, August and the first half of September.

Turner Contemporary had their tenth anniversary event on 16 September which attracted around 400 people down to Margate and many senior figures in Kent attended. A new director was about to be announced and Mr Hill had been part of the appointment panel.

Mr Hill went to Southborough on 18 September 2021 where there was a celebration of the opening of Southborough Town Council's hub. It had been a very complicated

project and thanks were given to Jonathan White, Projects and Operations Manager for his work on the project. There had been a very positive reaction from residents of Southborough.

EDF, the operator of the nuclear power station at Dungeness had announced on 7 June that they would be moving into a 'defueling' phase and the plant was to be decommissioned with immediate effect. Mr Hill said that he would send a detailed note to Members regarding the implications for KCC.

2) Further to Mr Hill's update, the following was noted from Members' questions and comments:

- It was requested that cycle racks be installed in country parks and concerns were raised regarding improving parking payment systems at country parks.
- Concerns raised about the state of repair of Folkestone Central Library were a matter to be taken forward by the Infrastructure Team.
- There had been an enormous increase in the use of Public Rights of Way and work was being done to make repairs.

3) Mr Murphy said that he had been appointed to Ebbsfleet Development Corporation Board, subject to agreement by the Secretary of State. The appointment meant that the interests of KCC and Kent residents would be fed into the Board. Ebbsfleet was a major development area for Kent and it was felt it was essential that the countywide issues were taken into account when planning for the large site.

There was to be a decision on whether part of the Swanscombe Peninsula would be designated as an area of special scientific interest. The decision would be made on 10 November by a government body and then this would aid discussions about what was to be done on the site in relation to the London Resort.

The Inland Border Facility at Dover was to monitor the import of foodstuffs and taxes. The food 'check-in' was the responsibility of Dover District Council but the checking of taxes was HM Government responsibility. KCC's involvement was to ensure that the entrance and exit points for the two facilities did not lead to any traffic congestion.

Funding had been agreed for 'Locate in Kent', an external organisation which worked to encourage people to work and locate in Kent and helped people to set up businesses. This had been funded from European Union.

Mr Murphy presented the award for 'Outstanding Contribution to Business in Kent' at the Kent Excellence in Business Awards. The winner of the award, Bill Ferris had overseen the revival and opening of Historic Dockyard Chatham.

There was to be a full Members' Briefing about Project Gigabit. As part of the broadband Project Gigabit project for Kent, the government through Building Digital UK proposed that £203 million be set aside to improve Kent and Medway's broadband connectivity. It was hoped that the new scheme would reach 122,000 properties in Kent and Medway. The Kent Voucher Scheme was to continue and would utilise government grants.

The government were setting up a new entry level scheme for town planning apprenticeships. This was welcomed as the recruitment of apprentices was

considered important for the growth of the county but also there had been a lack of trained local government officers in this area.

The government had issued directives that water courses could not be polluted more than they already were with nitrates and phosphates. This had an effect on developers and businesses in the area of the Stodmarsh water course. A project had been undertaken by the affected districts and it was considered that more wetlands would assist in resolving some of the issues affecting the Stodmarsh water course.

4) Further to Mr Murphy's update, the following was noted from Members' questions and comments:

- The Chair asked for an update to be brought to the Cabinet Committee in addition to a Members' Briefing regarding Project Gigabit.
- Concerns were raised about future planning and infrastructure for broadband.
- The owners of Eurostar would be asked to reconsider the running of trains from Ebbsfleet and Ashford as it was important for Kent.

5) Mr Jones, Corporate Director for Growth, Environment & Transport said all services were operational and working within their budget means.

Drainage for new developments would be key in the Kent Design Guide and relationships would be built with developers to make sure both connectivity and future drainage solutions were prepared. There had been a number of Blue Green Infrastructure Schemes, one being in Margate which worked to address the surface water flooding but also to create a 'green' environment.

A submission had been made as part of the Active Travel Bid which was to enhance and improve our Public Rights of Way and improve cycling and walking facilities. There were public consultations live relating to the Active Travel Schemes and also there would be a consultation relating to the Bus Improvement Plan.

There was to be an increased burden on the Trading Standards Team with additional checks with the change in government's requirements relating to the Inland Border Facilities.

KCC had been seeking representation with the train operating company, Eurostar to address concerns around the longevity of the postponement of services from Kent.

19. Performance Dashboard

(Item 6)

Rachel Kennard, Chief Analyst was in attendance for this item.

1) Ms Kennard outlined the Performance Dashboard for Quarter 1, reporting results until to the end of June 2021. For 2021-2022, there were 25 Key Performance Indicators (KPIs) plus continued use of some temporary KPIs for Libraries, Registrations and Archives, which reflected the continued disruption to service delivery during this period.

Data was not yet available for 4 of the KPIs. 15 of the KPIs were 'RAG' rated as green, 4 were rated as amber and 2 were performing below target and rated as red.

The 2 areas that had been 'RAG' rated as red were:

- EPE18: Median number of days to resolve priority faults on public rights of way network (rolling 12 month figure) – This had been impacted by the pandemic with a larger number of users on the network and faults reported.
- SPA01: Percentage of participants in Kent Active Partnership led programme who have a disability - The targets had been increased for Kent Active Partnership but performance had been affected by the pandemic.

Performance remained positive despite the lasting impact of Covid-19 pandemic.

2) Further to questions and comments from Members, it was noted:

- The online reporting system for faults on Public Rights of Way (PRoW) required users to create an account and it was felt this was having an impact on the KPI relating to PRoW faults reported online. This was being looked into by the relevant team.
- An additional £600,000 had been allocated from Covid-19 grant funding streams to tackle the backlog of repairs on the PRoW.

3) It was agreed that the performance report for Quarter 1 be noted.

20. Regional Growth Fund Monitoring Report Q1 2021/22

(Item 7)

Andrew Sinclair, Principal Project Officer (Systems, Contracts & Monitoring) and Martyn Riley, Programme Manager (Kent and Medway Business Fund) were in attendance for this item.

1) Mr Sinclair introduced the report and outlined the slides (attached).

2) In response to questions from Members, it was noted:

- The funding came from central government and if KCC correctly administered the scheme, it was not liable for any losses. The government performed annual audits and monitored by government departments.
- Members felt this was an exceptional success, although concerns were raised about the impact of the end of the government's furlough scheme.
- The money coming back from the equity investments was going 'back in the pot' so if KCC was allowed to keep the funds, it would be able to stay in Kent but the government could seek to recoup the funds.
- £16 million had come back from companies and it was questioned whether a small percentage interest charge could cover any bad debt.

3) Members agreed to note the report.

21. Design in Kent's Built Environment

(Item 8)

Richard Kidd, Project Manager (Area Lead - Infrastructure) was in attendance for this item

1) Mr Kidd presented the report and updated that KCC was working towards the delivery of an up to date, Kent Design Guide for spring 2022. The key changes from the current guide would be that the new guide was on a website, replacing the hard copy guide. It was felt there were significant advantages to having the guide on a website. A website would be easier to update as it was anticipated that there would be changes quite rapidly and maintenance of a website would also be more cost effective.

The government had planned to reform the planning system and this was underway. The development of design codes was part of the reform being considered. It was felt that the Kent Design Guide was well placed to be the platform to communicate any future relevant guidance.

Stakeholders had been involved in the development of the Kent Design Guide such as local councils, Kent Police and NHS partners.

Soft testing had been undertaken with regard to the user experience of the Kent Design Guide website and formal engagement would take place to inform 'fine tuning' of the website. It was proposed to bring an update back to a future Cabinet Committee meeting prior to the launch.

2) In response to questions and comments from Members, it was noted:

- Accessibility had been considered when developing the website.
- The bulk of cost had been development of the website and some functionality might need to be updated from time to time but most updates would be done internally.
- The content was written for two audiences – for a professional audience but much of the information at the 'landing page' level was to help the general public to understand what was trying to be achieved with the Kent Design Guide.
- It would be important in the engagement process to highlight any issues regarding parking standards or any other part of the guidance.
- The Kent Design Guide had adopted the key characteristics of the national guidance but had developed the Guide at local level with districts as well as at county level. However, it was acknowledged that there were areas that were more contentious such as parking standards.
- It was hoped that the Kent Design Guide would be adopted into Local Plans, as with previous versions.

3) Members agreed to endorse the recommendations outlined in the report.

22. No Use Empty Scheme

(Item 9)

Steve Grimshaw, Strategic Programme Manager was in attendance for this item

1) Mr Grimshaw updated the Committee regarding the No Use Empty (NUE) initiative which was the longest running empty property initiative in the country. The

partnership approach with Kent's 12 districts had returned over 7,000 long term empty properties back into use through a variety of interventions. Of those, 27% were in Thanet; 17% in Dartford; 12% in Folkestone and Hythe; and 11% in Swale.

6032 long term empty properties remained in Kent and the data showed that Thanet, Canterbury, Dover and Folkestone and Hythe had the highest percentage of these whilst Dartford and Gravesham had the lowest percentage. On average, the initiative was returning 500 long term empty properties back into use each year. Without intervention, the number of empty properties in Kent would be around 15,000.

In 2020/2021, 63 loans were approved which was nearly double the number in previous years. £2 million had been allocated from the Going Places Fund to deliver a second phase of the NUE Commercial Project which brought long term empty commercial units back into use for commercial or residential use.

KCC acted as the enabler and the 'recyclable loan fund' provided working capital to help local developers refurbish or convert empty properties or redundant buildings back into use to private homes and to a decent standard. NUE had evolved offering interest free loans with an administration fee. NUE was now cost neutral as a result of introducing interest bearing loans for larger schemes which required greater funding support but 0% loans were still offered to first time customers.

A new loan product for new builds had been introduced. Since the new build loan product was launched, demand had accelerated and £12 million had been allocated. A further £4 million was made available in January 2021, meaning there was £16 million in the 'recyclable loan pot'.

2) Further to comments and questions from Members, it was noted:

- There was capacity to help bring further commercial buildings back into use.
- There were conditions in the contracts that buildings had to meet the government's 'decent home' standard and EPC ratings needed to be higher as changes in legislation were coming in 2 years.
- Affordable housing was being provided through the scheme, some through district councils and through work with developers.
- A pilot project was being launched with Medway council to launch the brand of 'No Use Empty' across Kent and Medway.

3) Members agreed to note the update.

23. Youth Unemployment and Apprenticeships

(Item 11)

David Smith, Business and Enterprise Programme Director was in attendance for this item

1) Mr Smith introduced the report. The Covid-19 pandemic had affected youth unemployment more severely than any other age group. For older workers, the effect of the pandemic was less severe. Numbers of unemployed people in Kent had peaked November 2020 and it was hard to evidence whether the numbers had improved since then because the economy had improved or whether they had improved because the measures put in place to deal with the crisis of unemployment

had started to work. Kent and Medway had tended to follow the national average but unemployment was higher than what would be expected where there was a reasonable productivity rate and standard of living.

The Renew and Resilience Plan was initiated in August 2020 with 3 strands: one, looking at investment and what could be done to support businesses to recruit; second, supporting innovative and resilient businesses; and a strand of work looking at the impact on people. The Kent and Medway Employment Task Force was set up.

The Education People had a contractual obligation around apprenticeships and NEETs. The Kickstart internal target for Kent was 7,200 placements and there had only been around 2,000. The government had not confirmed whether the programme would be extended beyond 2021.

Youth employment had reduced by a third since March and progress would need to be monitored.

2) In response to questions from Members, the following points were noted:

- The low uptake of 16-25 year olds taking on an apprenticeship, the significant barriers faced by them and the importance of increasing this number. Members agreed this would become a regular item at future committee meetings with focus on progress and what the Council and other parts of the public sector could do to ensure more young people enter apprenticeship programmes.
- Concerns were raised about job roles being made available after apprenticeships finished and that the system for recruitment of apprentices was too complicated.
- It was suggested that bus passes be extended to any person undertaking an apprenticeship as there were difficulties with young people accessing transport.

3) It was RESOLVED that Members note the report.

24. Work Programme 2021/22

(Item 12)

1) The Chair asked for an update to be brought to the Cabinet Committee regarding Project Gigabit.

2) Members noted the Work Programme.

KCC Regional Growth Fund Q1 21/22 Monitoring

BUSINESS INVESTMENT – GROWTH & COMMUNITIES

Background

Regional Growth Fund established in 2010

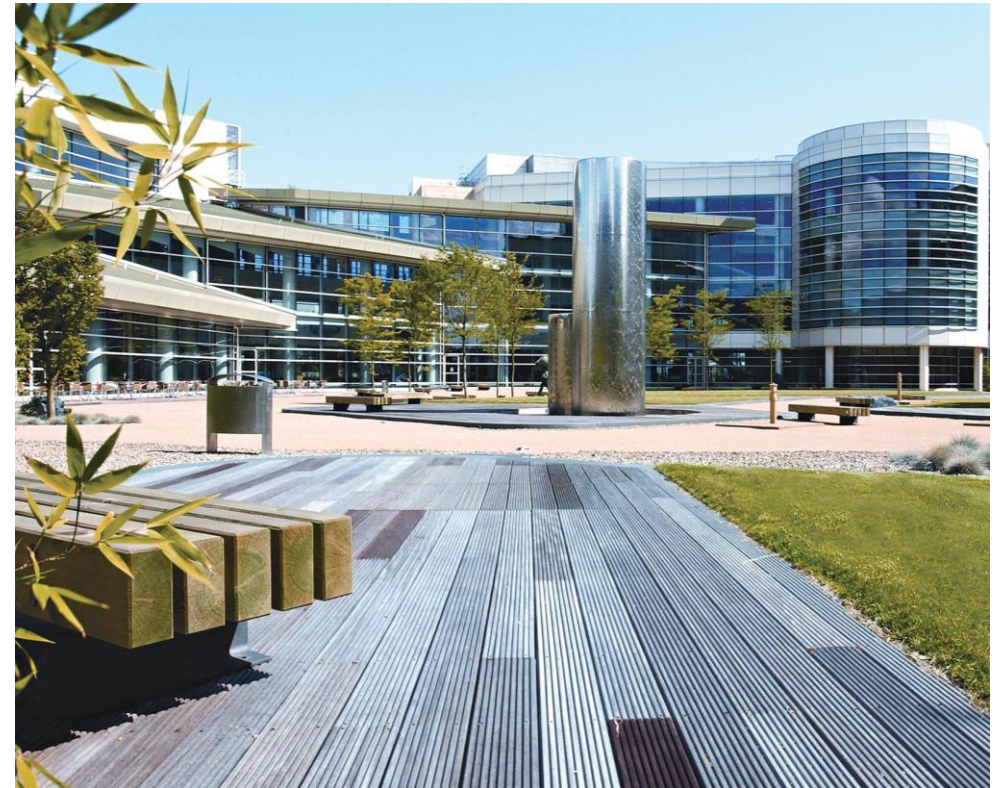
- Pfizer – Discovery Park
- Recovery from 2008 crisis

£55 million allocated to KCC between 2011 and 2014 for 3 RGF schemes:

- 2011 Expansion East Kent (East Kent - £35 million)
- 2014 TIGER (North Kent & Thurrock - £14.5 million)
- 2014 Escalate (West Kent, Rother - £5.5 million)

Kent & Medway Business Fund (2017) combined recycled repayments from RGF into one new scheme to provide new business loans and equity (Kent & Medway)

New KMBF combined Investment Advisory Board (chaired by Sir Paul Carter CBE)



Total Funding Committed & Outputs

From 2011 to Q1 21/22

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363

Investments made in Kent & Medway businesses using RGF or KMBF funding.

£63,145,634

RGF & KMBF funds awarded

£80,717,633

additional investment raised to supplement RGF or KMBF Funds

4,927

jobs created or protected by RGF or KMBF funding (not including supply chain jobs)

Repayments & Cost per job

From 2011 to Q1 21/22

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£30,861,068

Repayments anticipated by end of June 2021

£28,164,073

Repayments receipted by end of June 2021
91.26% achievement

£1,422

Cost per job (unrecovered funds)

£12,816

Cost per job (Total Funds Invested)

£37,400

National RGF Cost per job

Loan Monitoring Q1 21/22

Bad Debts & Potential Bad Debts

From 2011 to Q1 21/22

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67 loans

Written off or in a process of receivership or liquidation



£9,302,882

Total Value of Loans that could become bad debts
11.10% potential RGF bad debt



£2,990,665

Value of funds that could potentially be recovered



£5,270,465

Value of RGF Bad Debt written off by KCC since 2011 (no further recovery possible)
8.34% RGF bad debt

Equity Investments

Since 2013 KCC has made 27 equity investments totalling £13,340,634 through 3 funds

- Kent RGF Bespoke Equity Fund (KRBEF)
- Discovery Park Technology Investment Fund (DPTIF) - £5 million
- Kent Life Sciences Fund (KLSF) - £5 million

The focus of the DPTIF and KLSF have been on the life sciences, medical and advanced manufacturing sectors, examples include:

- Shearwater Systems (£144,000) – Healthcare IT Systems company working with the NHS. Successfully exited with dividend, with original share value still in place.
- Azadyne (£200,000) – Bio-Technology for the treatment of auto-immune diseases

Risk Ratings of 24 active investments

- 17 Green
- 5 Amber
- 2 Red



Equity Investments

Supported by NCL Technology Ventures

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KRBEF

- £3,888,921 – Value of Original Investments
- £1,882,800 – Estimated Current Portfolio Value
- £442,894 – Value of Successful Exits

DPTIF

- £5,202,713 - Value of Original Investments
- £7,590,292 – Estimated Current Portfolio Value

KLSF

- £4,350,000 – Value of Original Investments
- £5,373,000 – Estimated Current Portfolio Value

In Summary



£63 million invested in Kent & Medway Businesses



£80 million external investment



8.3% Bad Debt



4,927 jobs created or protected



£1,400 cost per job