

**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 Wednesday, 11 January 2023.

PRESENT: Mr N Baker (Chairman), Mr H Rayner (Vice-Chairman), Mrs R Binks, Mr C Broadley, Mr T Cannon, Ms M Dawkins, Mr S Holden, Mr M A J Hood, Mr S C Manion, Ms J Meade, Mr J Meade, Mr A M Ridgers, Mr D Robey, Mr M J Sole, Mr R J Thomas and Mr D Watkins

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

IN ATTENDANCE: Mr D Smith (Director of Economic Development), Mrs S Holt-Castle (Director of Growth and Communities), Hayley Savage (Democratic Services Officer) and Mr S Jones (Corporate Director of Growth, Environment and Transport)

UNRESTRICTED ITEMS

108. Apologies and Substitutes

(Item 2)

There were no apologies.

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

(Item 3)

There were no declarations of interest.

110. Minutes of the meeting held on 22 November 2022

(Item 4)

RESOLVED that the minutes of the meeting held on 22 November 2022 were a correct record.

111. Verbal updates by the Cabinet Members and Corporate Director

(Item 5)

1. Mr Hill, Cabinet Member for Community and Regulatory Services, provided an update on the opening of the Jasmin Vardimon Company studio in Ashford. Mr Hill attended the official opening on 7 December 2022 and said the new building provided space for the company's touring productions, rehearsals, training, educational and community classes. The building was part of the regeneration of a disused site on the Henwood Industrial Estate, called the Creative Enterprise Quarter.
2. Mr Murphy, Cabinet Member for Economic Development, gave a verbal update on the following:

- (a) The Leader of the Council, along with Mr David Monk, Leader of Folkestone & Hythe District Council, and Mr Damien Collins, MP for Folkestone & Hythe, had written to the Secretary of State regarding a small nuclear reactor site at Dungeness. Mr Murphy said discussions continued with Rolls Royce as well as other suppliers of small nuclear reactors regarding the site, and the Council was also liaising with the Environment Agency.
 - (b) Mr Murphy visited the transport company Mesaroli at Discovery Park in Sandwich at the end of 2022, who were keen to expand in Kent and said the company Growup Farms was a recent addition to Discovery Park.
 - (c) The No Use Empty (NUE) scheme was supporting the development of business units in Whitfield, Dover. The development would involve businesses such as a printing firm, a glazing firm and freight forwarding companies relocating in the area.
 - (d) The Kent Rural Partnership included representatives from across the rural sector, and was initially focusing on education, research, and development.
 - (e) A joint project was in place with Dover District Council for the provision of Broadband to multi occupancy buildings.
 - (f) Mr Murphy invited Members to attend Business Vision Live on 10 May 2023 at the Kent Showground.
 - (g) Recommendations had been put to the Canterbury and Sevenoaks Local Plan Regulation 18 Consultation and Members would be able to comment if they wished to.
3. Mr Murphy responded to the following questions and comments from Members:
- (a) Asked about the potential for a programme of nuclear reactors across Kent, Mr Murphy said the Council was currently prioritising the site in Dungeness and there was the intention for more than one reactor, however, Mr Murphy agreed that a programme of nuclear reactors would be beneficial to meet increased demand.
 - (b) Asked whether the work on nuclear reactor sites was running alongside a package of energy solutions, Mr Murphy said the opportunity at Dungeness was being investigated as part of a combination of energy sources such as offshore wind, solar power, heat source and hydrogen power.
4. Mr Jones, Corporate Director for Growth Environment and Transport, gave a verbal update on the following:
- (a) As part of the Kent Resilience Forum teams within the Council responded to the tragic incident in the English Channel on 14 December 2022, and to the loss of water supply to residents and businesses across the county between 15 and 28 December 2022. Mr Jones thanked the Emergency Planning Team, the teams within communities specifically Community Wardens and the district teams for their efforts.

- (b) Since 6 December 2022 almost 1,250 precautionary salting runs on roads had been undertaken and over 5,000 tons of salt was used. The weather conditions had resulted in an increase in enquiries from residents and the temporary closure of Folkestone Library.
 - (c) The Community Safety Team was working to improve services related to domestic abuse and during 2022 the team had provided webinars to professionals and frontline practitioners.
 - (d) The Community Wardens had been working with various partners, community groups and food hubs to improve residents' access to support and quality of life during difficult times. They continued to offer one to one support, assist with mental health issues, safeguarding, and welfare support.
 - (e) Trading Standards continued to address illegal vape products which contained ten times the legal limit for nicotine and could be fatal to users. A publicity campaign had been run to alert and inform residents of the dangers. Mr Jones referred to an intervention by the Council's Trading Standards Team in Canterbury and said Illegal vapes had also been seized at the borders.
 - (f) Mr Jones referred to a case in Sandwich where the Trading Standards team had been involved in convicting companies who were attempting to illegally deliver green energy solutions for fraud by false misrepresentation.
 - (g) The Food Standards Agency had confirmed a grant to Kent Scientific Services to help modernise equipment and services in investigating and examining heavy metals in food.
 - (h) Mr Jones congratulated the Kent Film Office and Explore Kent for raising the county's profile for tourism and businesses, and for significantly contributing to the Kent economy, in relation to the film Empire of Light released on 9 January 2023.
5. Mr Jones responded to the following questions and comments from Members:
- (a) Asked about the seizure of illegal products in Canterbury, Mr Jones said the activity on the ground was one part of a continuous campaign and the Trading Standards Team and Intelligence Team continued to monitor and act on activity. A Member asked about media coverage highlighting the dangers of illegal vapes and Mr Jones said he would investigate whether anything further could be done.
 - (b) Asked about the repairs at Folkestone Library and the checks that were carried out on work undertaken, Mr Jones said processes were carried out on the quality of work and referred to the scale of repair in terms of immediate and ongoing work.

RESOLVED that the verbal updates be noted.

112. Draft Ten Year Capital Programme, Revenue Budget 2023-24 and Medium Term Financial Plan 2023-26
(Item 6)

Mr Peter Oakford and Ms Zena Cooke (Corporate Director Finance) were in attendance for this item.

1. Mr Oakford introduced the report and explained that, although funding from central government had been better than anticipated, it would not cover the Council's expenditure. Mr Oakford highlighted that inflation continued to be an enormous pressure and spending growth within the Council had increased by £216million. He said £40million in savings was required and the Council was looking to raise its income by £16million from charges to some of its services. Mr Oakford said it would be necessary to draw down from reserves which would weaken the Council's financial resilience and insecure funding areas, which would normally form part of reserves, had been diverted into the base budget. Mr Oakford said a £12million risk reserve had been included in the budget to offset any challenges faced during the year but emphasised this was a small amount in relation to the Council's overall budget. Mr Oakford referred to the assumed 4.99% council tax and social care increase. He explained that the Council's Community Services Consultation had been launched and the Council's contribution to the ongoing "safety valve" negotiations with central government would put further pressures on reserves in future years.
2. Mr Murphy said that Economic Development was looking to bring in an aspirational £1.5million income target from business rates, and officers were working to combine the Council's partnership organisations, Locate in Kent, Produced in Kent, and Visit Kent, for increased efficiency. Mr Murphy said an additional £200,000 income fund would be generated by the No Use Empty Scheme.
3. Mr Hill explained that although savings would be made within his portfolio, all services would continue.
4. Members made the following comments:
 - (a) Asked about the reduction of £200,000 to the Library, Registrations and Archive budget, Mr Hill said the savings were efficiencies within the back-office function and the changes would unlikely be seen by residents.
 - (b) A Member commented on the reduction of £500,000 to the Community Wardens budget and the consequences of that within communities. Mr Hill acknowledged the importance and benefit of Community Wardens and agreed this was disappointing but said it was unavoidable.
 - (c) Members commented that a summary of changes to services (that fell under the relevant Cabinet Committee), would be helpful for future committees to enable easier scrutiny at cabinet committee level.
5. Mr Sole proposed and Ms Meade seconded a motion that "the Cabinet Committee recommends for consideration at Cabinet on 26 January 2023 that

the £10,000 Combined Members Grant be retained for each Member.”
Members voted on the motion and the motion was lost.

RESOLVED that Members’ comments on the draft capital and revenue budgets relevant to this committee, including responses to consultation, be noted, and reported to the Cabinet on 26th January 2023, before the draft was presented for approval at County Council on 9th February 2023.

113. Kent and Medway Business Fund Bi-Annual Monitoring - Q2 2022/2023 *(Item 7)*

Sir Paul Carter and Mr Martyn Riley (Project Manager) were in attendance for this item.

1. Mr Murphy provided a brief introduction and welcomed Sir Paul Carter, Chairman of the Kent and Medway Business Fund Committee to the meeting.
2. Sir Paul Carter provided an overview of the achievements of the Kent and Medway Business Fund since its inception in Kent. He reflected on the history of the fund, including its performance and track record, and the future of the scheme.
3. Mr Riley introduced the Kent and Medway Business Fund bi-annual monitoring report on the progress of the Kent and Medway Business Fund. He referred to the summary of the report which included figures up to the end of September 2022.
4. Mr Riley, Mr Murphy, and Sir Paul Carter responded to the following questions and comments from Members:
 - (a) Members commented on the success of the scheme for both the Council and businesses, and its benefit to Kent’s economy including the creation and protection of jobs.
 - (b) Members discussed the importance of publicising and raising awareness of the scheme, within relevant networks, to suitable businesses.
 - (c) Asked about equity investments in businesses, whether owners provided personal guarantees, and whether the exits so far from equity investments had been successful, Sir Paul Carter said security was not asked for and a couple of the equity schemes had significant potential, with one being partially exited with a reasonable return on investment. He said future success would depend on the global economy and highlighted, in particular, the life sciences area which showed potential for positive outcomes.
 - (d) Asked about the varying costs across Kent in terms of the creation and protection of jobs, Mr Riley said the difference in cost reflected the different sectors and use of investment. For example, the tourism industry could produce more jobs compared to a sector that required capital for machinery. Mr Riley said it was difficult to influence how investment was spent but the use of apprenticeships was encouraged.

- (e) Asked whether there was a forum for businesses involved in the scheme, Mr Riley said links were established based on monitoring information and where potential was identified, for example, companies where production was similar or where complementary services could be beneficial. A newsletter was circulated regularly to raise awareness of achievements on the loan scheme. Mr Murphy referred to partner organisations, for example, Produced in Kent and Locate in Kent, as a way of reaching out to businesses and the Council's work with the Kent Chamber of Commerce and Institute of Directors.
5. Mr Riley presented a series of slides (attached to these minutes) and provided a summary of the report by SQW - *Evaluation of the Kent and Medway Business Fund* - which looked at the achievements of the scheme and its future.
6. Mr Riley responded to the following questions and comments from Members:
- (a) Asked about the initial amount of funding from government and the current value of loans outstanding, Mr Riley said the original allocation from government was £55m and the majority had been allocated to loan and equity schemes. Mr Riley said, going forward, it would be possible to provide an estimate based on agreements in place. He said there was an extensive focus on debt recovery and acknowledged that rising interest rates would have an impact on the loan scheme.
- (b) Members recognised the positive approach of potential businesses providing interactive presentations in person, and the benefit in having the opportunity to ask questions and obtain feedback.
7. The Chair thanked all Members and officers involved in the success of the scheme so far.

RESOLVED that the Cabinet Committee notes the report.

114. Youth Unemployment and Apprenticeships

(Item 8)

Mr David Knox (The Education People Apprenticeship Lead), and Mr David Smith, (Director Economic Development) were in attendance for this item.

1. Mr Murphy introduced the item and referred to the Employment Taskforce, chaired by Mr Gough and said the Council worked closely with educational and business establishments. He said the report was also being presented to the Children, Young People and Education Cabinet Committee and discussions were taking place to determine how the matter would be addressed between the two cabinet committees.
2. Mr Smith introduced the report and highlighted the link between supporting the financial growth of companies and the provision of employment opportunities. He summarised the background to youth unemployment and apprenticeships in the workplace in Kent.

3. Mr Knox presented a series of slides (attached to these minutes) and provided an overview of apprenticeships within the Council.
4. Mr Knox and Mr Smith responded to the following questions and comments from Members:
 - (a) A Member noted that most apprenticeships were within the field of adult social care and commented on the importance of encouraging businesses to provide apprenticeships with clear signs of promotion. Mr Knox said the government launched last year Flexi-Job Apprenticeship Agencies for small businesses to work with other employers to provide skills for apprentices.
 - (b) Asked how much of the 75% of the levy allocated within the Council was used, Mr Knox said this information could be provided outside of the meeting.
 - (c) A Member asked about the strategic role of the Council in terms of skill development as a government priority of the UK Shared Prosperity Fund, and whether the Council was hoping to use the fund for additional apprenticeships across the county. Mr Smith said strategic discussions between the Council and the districts, as well as local colleges and The Education People, would take place regarding the UK Shared Prosperity Fund and it was agreed this would be added to the Cabinet Committee's work programme for a future meeting.

RESOLVED that the report and presentation be noted, and the Cabinet Committee for Children, Young People and Education would be invited to consider the same issues at one of its future meetings.

115. Performance Dashboard

(Item 9)

Ms Rachel Kennard (Chief Analyst) was in attendance for this item.

1. Ms Kennard introduced the Performance Dashboard for Quarter 2 of 2022/23 and highlighted the key areas of performance.
2. Ms Kennard, Mr Murphy and Mr Hill responded to the following questions and comments from Members:
 - (a) A Member asked, where services had been impacted by the Covid-19 pandemic, for figures before pandemic to be included in future reports. Mr Hill said libraries were currently at 64% of the pre-pandemic figure.
 - (b) Asked about KPI ED08 - *Developer contributions secured against total contributions sought* – and the indication that the amount would be less than hoped, Mr Murphy said the year-to-date figure was now nearer to £18million and the figure fluctuated depending on local plans and delays for developments to proceed.
 - (c) Asked about the varying timeframes used for the graphs on page 5 of Appendix 1, Ms Kennard said this would be reviewed.

- (d) Asked about the recording of library data when considering viability, for example in relation to Folkestone Library which was currently closed, Mr Hill said usage of libraries would take account of any extraneous factors.

RESOLVED that the performance report for Quarter 2 of 2022/23 be noted.

116. District Visits Programme 2023

(Item 10)

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

1. Mr Murphy introduced the item and said Members' comments had been taken on board and issues resulting from district visits would be reported at future meetings.
2. Mr Hancock introduced the report and said the visit to Maidstone on 20 January 2023 had been postponed and further visits would be arranged for 2023. He said future reports to the committee would include a dashboard recording outcomes from visits.

RESOLVED that the Cabinet Committee noted the report and agreed to receive a dashboard at future meetings monitoring progress on matters raised.

117. Community Wardens and Positive Wellbeing

(Item 11)

Mr Mike Overbeke (Group Head, Public Protection) and Ms Rebecca Law (Business Development Manager) were in attendance for this item.

1. Mr Hill introduced the item and said the Positive Wellbeing intervention activity, which was an important part of the work of Community Wardens, supported many lonely and isolated people in the county and made a significant contribution to the Council's adult social care service.
2. Mr Overbeke and Ms Law introduced the report. Ms Law provided an overview of the programme and shared feedback from residents who had received the service.
3. Members acknowledged the significance and importance of the Community Warden service and how it made a difference within communities in terms of preventative working, social prescribing and supporting the NHS.
4. Ms Holt-Castle said the team had been working with the University of Essex in evaluating the social prescribing project, and with the University of Kent to evaluate the impact of the Community Wardens, to demonstrate how social prescribing could delay pressures on Adult Social Care and a report covering the work would be brought back to the committee in due course.
5. Mr Hill thanked Members for their support.

RESOLVED that Members' comments on this programme and the potential to incorporate the Positive Wellbeing intervention activity into the Community Wardens service delivery model going forward be noted.

118. Work Programme 2023

(Item 12)

RESOLVED that the Work Programme 2022/23 be noted, subject to the addition of

- UK Shared Prosperity Fund

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Evaluation of the Kent and Medway Business Fund:

Summary of findings

January 2023

SQW

Introduction: Evaluating the KMBF

Ten years on from the establishment of the initial RGF-funded schemes, Kent County Council commissioned an evaluation to consider

- The **impact** of the KMBF on the Kent and Medway economy and its value for money
- The **process** through which KMBF was delivered, how this evolved and lessons learnt
- The **strategic alignment** of the Fund and how it contributes to wider economic development

... to help inform KCC in the future design of the Fund and in its discussions with Government

Approach

- Analysis of monitoring data going back to the start of the earlier Expansion East Kent, TIGER and Escalate schemes (with a cut-off of August 2021 for most data)
- Business survey of beneficiary businesses and unsuccessful applicants (121 responses in total)
- 12 in-depth interviews with firms that secured KMBF funds
- Interviews with other strategic stakeholders
- Principally focused on loan scheme

Performance

- By August 2021, **£52.4 million in loan payments approved** (across KMBF and predecessor schemes) through 328 loan agreements (with £52.1 million defrayed at that point)
- **£30.3 million cumulatively repaid** into the Fund (higher gap between payments due and actual receipts during Covid-19, but expected to fall as emergency repayment holidays came to an end)
- **Average loan value on current KMBF was £106k**, broadly in line with the average finance request reported through the UK Small Business Survey
- **All beneficiary firms since 2017 have been SMEs**, reflecting the composition of the county's business base
- Diverse sectoral distribution, although relatively **strong representation from manufacturing and technology** businesses
- **'Bad debt' rates around 12% of loans agreed by value** since 2012. But mostly relates to loans agreed in 2012-14 – suggesting learning and improvement over time, and in line with national comparators
- **Value of combined equity portfolio had increased by 5.5%** on original investment by March 2022

Impact

- By August 2021, KMBF and predecessor programmes had **created 3,485 FTE jobs and safeguarded 1,400**. Job outputs are measured on evidence of specific jobs created or safeguarded, and are considered robust
- **Unit cost per job around £10,700** – relatively low vs. national comparators and lower than the cost per job anticipated in original business case
- By August 2021, the loan schemes had secured **£74.8 million in private sector leverage** – a ratio of around 1.45:1 on loans defrayed
- **Benefit: cost ratio to 2021 estimated at 5.56:1**. But the BCR could rise over time as funds are reinvested
- **Additionality relatively high**: 42% of respondents said they would not have delivered the project at all without KMBF support
- Other benefits included increased turnover, staff development and investment in innovation/ product development

“By expanding to our new property, we’ve been able to increase our product range and we have doubled our turnover as a business... we’re now exporting to the US and we’re looking to expand further”

“Being able to do it all at once [building and equipment] was integral to getting the business up and running”

Process and management

- Management information for the loan scheme is robust and of high quality
- **Most beneficiary businesses were satisfied with the application and appraisal process.** There is evidence that processes have become more streamlined, and guidance is clear
- Consultees were **generally positive about the way in which the KMBF is managed**, especially in relation to the approachability and responsiveness of the Business Investment Team
- Members of the Investment Advisory Board make a substantial contribution to the running of KMBF, and the membership contains a range of external members with business experience.
- However, **some applicants observed that they were given insufficient time in presenting to the IAB:** it may be useful to address this to ensure equal opportunities for all applicants

“The guys are really helpful. We were worried about our ability to meet our repayment schedule at one point, so we asked about the possibility of a break in payments. They were very approachable”

“The whole process was aimed at helping me..... the team have been very responsive”

Alignment with strategy and future need

- The focus on job creation aligned with the original objectives of the Regional Growth Fund, But there is **potentially an inconsistency between the 'core metric' of direct job creation and the aim of the KMBF to also support greater productivity and innovation.** It may be helpful to adopt a wider range of metrics to account for this
- **Efforts are made to align the KMBF with other measures to support business growth.** Efforts are also made to encourage the application of 'cross-cutting themes' (such as interaction with the skills system and environmental sustainability)
- Strong evidence of **alignment between the KMBF and the package of measures to support the growth of Discovery Park** (and the life science sector) as a key economic asset.
- Based on the Longitudinal Business Survey, we estimate that there is likely an **annual 'finance gap'** in Kent and Medway (i.e., firms with viable propositions which cannot obtain finance) of between £9 million and £45 million – KMBF an important part of the mix in bridging the gap.

Research, analysis and advice

Page 7

SQW



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Apprenticeships

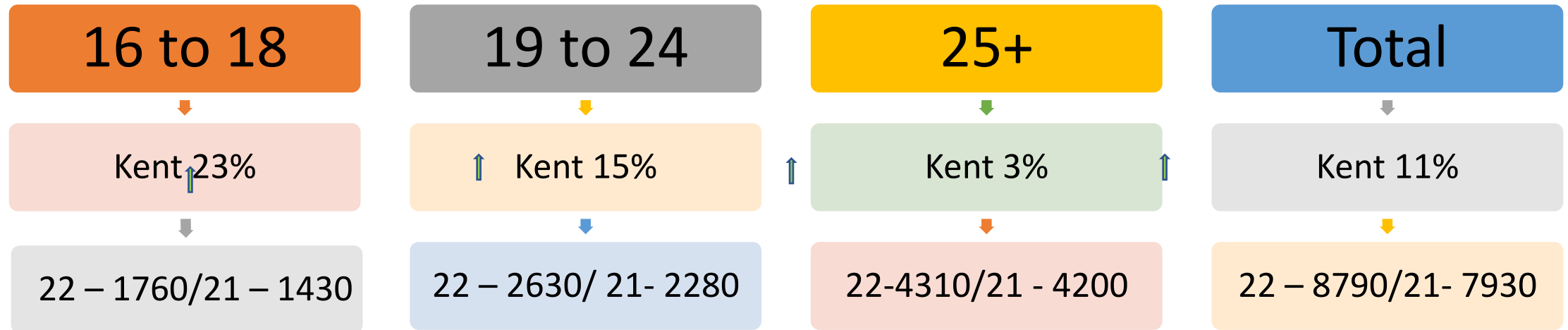
Kent County Council &
The Education People.

**THE EDUCATION
PEOPLE**

Kent Apprenticeship starts

Based on 4th quarter data comparing 20/21 to 21/22

Page 10



Kent first positive increase in 16 to 18 starts since 15/16

KCC as an employer

Page 11

Maximising the KCC apprenticeship levy

- Since the introduction of the apprenticeship levy in 2017 KCC has supported 1038 colleagues to access apprenticeship training
- All apprentices access the bespoke 'KCC Made in Kent' development programme in addition to apprenticeship training.
- 'Growing our own' social workers utilising the social work degree apprenticeship – 24 NQSWs will graduate in the spring 2023
- KCC Kent Graduate programme utilises Apprenticeship training as professional development
- KCC Kickstart programme – 86% moved to employment with KCC, other employers or returned to education

KCC as an employer supporting the wider Kent economy

Sharing the KCC apprenticeship levy

- Since summer 2018 all levy paying employers have been able to share up to 25% of their levy contributions with other employers to support apprenticeship training
- KCC sharing since 2019
- Robust application process is accessible via kent.gov.uk with support provided – Government Pledge site now ‘live’ for applications
- Applicants must identify how the funding for training will help to deliver KCC’s Strategic outcomes by supporting either;-
 - Children & young people
 - Kent economic growth
 - Older & vulnerable residents

Sharing the KCC Levy – supporting the wider Kent workforce

Active - 219 employees 91 employers

Page 13

Professional Area	Number on programme
Adult social care	114
Accountancy	3
Administration	7
Customer care	7
Early years and education	37
Science	3
Leadership & Management	11
Nursing	6
CYPF	23
Marketing	1
IT	2
Plumbing / construction	2
Sport / Health	2
Hospitality Team member	1
total	219

Apprenticeship Level	Number on Programme
L2&L3	158
L4	26
L5	24
L6	5
L7	6
total	219

Sharing the KCC Levy – supporting the wider Kent workforce

Pipeline

19 employees & 10 employers

Professional area	Number in pipeline
Adult social care	8
Early years and education	7
Sports Coach/ community Sport & Health officer	4
total	19

Apprenticeship Level	Number
L2&L3	14
L4	4
L5	1
L6	0
L7	0
total	19



- Working on behalf of Kent County Council, the Education People created a new role offering support to local businesses to provide more apprenticeship opportunities:
 - This year the service has engaged with 149 new employers and provided 100 new opportunities.
 - Held 7 apprenticeship employer events across all Kent school districts providing over 1200 students with a positive engagement with local employers supported by reconnect funding.





**THE EDUCATION
PEOPLE**
*Secondary School Improvement,
Skills & Employability*

Page 16

Working with Kent County Council this year we held the Apprenticeship Graduation Ceremony at Rochester Cathedral where over 600 people attended to see 153 apprentices graduate.

Consideration for the future.

As a group we thought we would take this opportunity to gain your insight and potential ideas on future tasks and activities.

1. We have seen a raise in apprenticeship starts, but have seen apprentices struggle to complete their apprenticeships. What support do think is needed to help improve the completion rates of apprenticeship's
 1. Provide support to employers to ensure they are fully prepared to support an apprentice.
 2. Manage expectation's of apprentices and employers to help them complete.
 3. When government introduced the increased employer incentive to £3000 we had an increase in employers recruiting more apprentices, what do you think would help employers take on more apprentices?
2. From our work with employers, they need help to recruit apprentices. How can Kent County Council help employers to recruit more apprentices:
 1. How can we raise the profile of apprenticeships and the support available.
 2. Provide advice and guidance to businesses.
 3. Maximise all contacts with businesses to promote support available across all services and partners.

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