

KENT COUNTY COUNCIL

REGENERATION AND ECONOMIC DEVELOPMENT POLICY OVERVIEW AND SCRUTINY COMMITTEE

MINUTES of a meeting of the Regeneration and Economic Development Policy Overview and Scrutiny Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 16 November 2011.

PRESENT: Mr M C Dance (Chairman), Mr M B Robertson (Vice-Chairman), Mr A R Chell, Mr N J Collor, Mrs J P Law, Mr A Sandhu, MBE, Mr K Smith, Mr M V Snelling, Mrs E M Tweed and Mrs C J Waters

ALSO PRESENT: Mr K G Lynes, Mr M A Wickham and Mr R J Lees

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Mr R Gill (Economic Policy and Strategy Manager), Ms J Hansen (Acting Finance Business Partner BSS), Mr D Shipton (Acting Head of Financial Strategy), Mrs E Harrison (Rural Regeneration Manager) and Mrs C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

96. Minutes of the meeting held on 23 September 2011

(Item A4)

RESOLVED that the Minutes of the meeting held on 23 September were correctly recorded and that they be signed by the Chairman.

97. Presentation: Kent Rural PLC

(Item B1)

1. The Chairman invited the Cabinet Member, Mr Lynes and the Head of Kent Rural Regeneration, Mrs Harrison to give their presentation. Mr Lynes and Mrs Harrison focused on the following:

The Kent Rural PLC Concept

Since its launch in July 2011 at the County Show, Kent Rural PLC has held many meetings with various groups including local businesses, NFU and local government sectors. The discussions had been based on how the sector looked now and how best to grow the rural sector.

Comparisons

- a) If Kent's food sector was a PLC it would be worth £2.6 billion to our economy every year. This was likened to BMW Group Europe of 2.83 billion operating profit in 2010.
- b) Horticulture and agriculture were the lynch pin of Kent's £2.6 billion food sector.

Branding

- a) How much is the Garden of England brand worth to Kent. The Kent Rural PLC has looked at food security, the availability of water and land.

The Kent Rural PLC's aims

- a) Attracting investment - to support new entrants and existing businesses.
- b) Develop Skills – make the rural sector more attractive to young providing information to the careers centres.
- c) Change the perception of the rural sector with a modern image of the new technologies used in the sector.
- d) Build on the existing skills of Research & Development as part of the solution – East Malling Research seen as a real asset.
- e) Influencing, securing and supporting infrastructure including technology eg Broadband. Members noted that one third of Kent did not have Broadband which needed to be remedied to assist regeneration.
- f) Long term vision for where we want to be in the future.
- g) Create a brief by gathering an accurate rural evidence base to become an annual report.
- h) Need to ensure that the Spatial Plan understands and responds to this sector eg the Kent Rural Housing Protocol.

2. Members were given the opportunity to ask questions and make comments which included the following:

- It was suggested that the KCC logo should include the branding “Kent the Garden of England”. As Kent road signs needed replacing they should also have the branding. It was agreed to put this as a question to the next County Council meeting.
- Schools should be encouraged to visit establishments such as the East Malling Research Centre, so that children’s perceptions can be changed on how modern the rural sector is.
- In the current economic climate there was a need to encourage young people to look at a rural career path.

3. In response to a question, Mrs Harrison explained that schools in the areas without Broadband had connection to the education intranet but there was a bigger challenge when the children had homework in the evenings.

4. In response to a question, Mrs Harrison advised that renewable energies would be part of the second phase of the Kent Rural PLC agenda under the heading of “Low Carbon”.

5. The Chairman invited Mrs Harrison to give an update on the next rural visit. Members noted that the next visit was set for Friday, 25 November and that they would be visiting and meeting local business people involved in the Kent Downs and Marshes Leader Programme, which included a cheese producer and an example of a micro brewery.

6. RESOLVED that:

- a) agreement be given to a question being put to the December County Council meeting on the branding “Kent the Garden of England” being used on specified Kent road signage and forming part of the KCC logo; and
- b) the information given in the presentation and to Members be noted, with thanks.

98. Ambition Board - Growing the Economy: Inaugural Meeting – Verbal Update

(Item B2)

1. Mr Lynes gave a brief presentation on the work of the Ambitions Board advising that the Board was a hybrid of the Kent Economic Board and the Kent Forum, set up to deliver what the other fora could not which included:

- Business aspirations.
- Trade Development.
- Improve dialogue with the Education establishments.
- Look at what workforce was required so that the right course can be made available.
- How best to work with the Kent Economic Groups.
- Business intelligence - where is the economy going?
- Identify the big asks of government as councillors were use to lobbying.
- County Councillor's role in monitoring "Vision for Kent".
- Requesting a common approach to planning.
- Answering developer's plea for stimulating development.
- How best to exploit business networks. – Building a relationship with trust private businesses would in turn help us.

2. In response to a question, Mr Lynes responded by saying that rather than the aims of the Ambitions Board being too ambitious he considered that in the current economic climate KCC needed to be prepared to shift and reinvent itself.

3. RESOLVED that the information given in the presentation and to Members be noted, with thanks.

99. Update on Strategic Projects

(Item B4)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director, Business Strategy and Support)

1. The Director of Economic Development, Ms Cooper introduced the report and set out the work being undertaken. Members made comments and asked questions which included the following:

- a) A Member suggested that there would be wider use of the Winter Gardens, Margate, if there was suitable hotel accommodation in the area. Ms Cooper advised that officers were working on this issue, especially since the success of the number of visitors to the Turner Contemporary Art Galley. It was a matter of finding the right hotels. Ms Cooper agreed to include the work undertaken so far on this in a report that would give an update on Thanet to the next meeting of the POSC.

2. RESOLVED that:

- a) a report on the progress on Thanet, to include the work undertaken on hotel accommodation, be submitted to the next meeting of the POSC; and
- b) the information set put in the report and given to Members be noted, with thanks.

100. Restructuring of the Regeneration & Economy Function

(Item B5)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director, Business Strategy and Support)

(The Chairman secured the Committee's agreement to consider this item as urgent business as the papers could not be placed on public deposit with the required five days' notice).

1. The Director of Economic Development, Ms Cooper introduced the report highlighting that through the reconfiguration of the teams within Regeneration & Economy Function the savings target of £500,000 2012/12 for staffing had been met. The new structure had been designed to maintain sufficient capacity, capability and flexibility to deliver regeneration projects activity from April 2012.

2. The proposals for the Economic Development function sit within the context of the restructure of the whole Business Strategy and Support Directorate. The formal consultation would take place from 1 November and would conclude on 30 November. The selection process for both aspects would take place in November/December.

3. Members were given the opportunity to make comments and ask questions which included the following:

- a) In response to a question, Ms Cooper assured Members that there had been discussions, when considering the proposals for the Regenerations Projects Team restructure, with the former interim Corporate Director, Education, Learning and Skills (ELS), Mr Andy Roberts and more recently with the Head of Employability and Skills, Ms Sue Dunn, who is producing a 14-24 Strategy, regarding areas of joint working to ensure that they were all travelling in the same direction. There was agreement that a programmed away day with both the ELS, Skills and Employability Team and Economic Development and Regeneration Projects Team be arranged once the ELS restructure was finalised in April to look at the business needs for the overarching 14-24 Strategy.

- b) Members agreed to a presentation on the ELS, Skills and Employability Team Business needs from the Economic Development and Regeneration Projects Team be given at a future meeting of this POSC.

4. RESOLVED that:

- a) a presentation on the ELS, Skills and Employability Team Business needs from the Economic Development and Regeneration Projects Team be given at a future meeting of the POSC;
- b) the proposals for the restructuring of Economic Development and Regeneration Projects Team and the progress to date be noted; and
- c) the information given to Members and the report be noted, with thanks

101. Financial Monitoring 2011/12

(Item B6)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director, Business Strategy and Support)

(Ms J Hansen, Acting Business Partner Finance and Procurement was in attendance for this item)

(The Chairman secured the Committee's agreement to consider this item as urgent business as the papers could not be placed on public deposit with the required five days' notice.)

1. Ms Hansen tabled the correct report explaining that the report in the meeting papers had been circulated in error.
2. RESOLVED that the projected outturn for Regeneration and Enterprise for 2011/12 based on the based on the exception report to Cabinet on 17 October, be noted.

102. Revenue Budget 2012/13 and Medium Term Financial Plan 2012/13 To 2014/15

(Item B7)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director, Business Strategy and Support)

(Mr D Shipton, Acting Head of Financial Strategy and Ms J Hansen, Acting Business Partner, Finance and Procurement was present for this item)

(The Chairman secured the Committee's agreement to consider this item as urgent business as the papers could not be placed on public deposit with the required five days' notice).

1. Mr Shipton gave a brief introduction to the report and highlighted that there were no additional budget pressures facing the Regeneration and Enterprising portfolio. He advised that Members would be given the opportunity to discuss the draft Revenue Budget 2012/13 and MTFP, which would include the provisional grant settlement at the County Council meeting on 15 December 2011 and at the POSC meeting on 19 January 2012.

2. Mr Shipton referred to paragraph 3 of the report headed "Latest Developments: National Context" regarding Business Rates and agreed to submit a report back to the next meeting of the POSC in January.
3. Members were given the opportunity to make comments and ask questions which included the following:
 - a) A Member considered that the way the Units budget had been managed should be rewarded.
 - b) There was concern for the "Growing the Economy" agenda if the Unit was asked to make further efficiencies and concurred with the recommendation made by the Budget IMG in paragraph 6.2 of the report.
 - c) The Chairman stressed the need to continue to closely monitor the situation.
4. RESOLVED that:
 - a) the latest forecasts for 2012/13 and the next two years be noted;
 - b) the outlined 3 year plan for the Regeneration and Enterprise portfolio in Table 1 be noted; and
 - c) the Cabinet be informed that the RED POSC has serious concerns about the Regeneration and Economic Development Units capacity, within its proposed resources, to undertake new initiatives without dropping existing regeneration work.

103. Local Enterprise Partnership and Regional Growth

(Item B3)

(Report by Mr K Lynes, Cabinet Member for Regeneration and Economic Development and Mr D Cockburn, Corporate Director, Business Strategy and Support)

(Mr R Gill, Economic Strategy and Policy Manager was present for this item)

1. Mr Lynes introduced the report highlighting that the Local Enterprise Partnership (LEP) received government endorsement in the Autumn 2010 and was now fully established with a Board and a smaller Executive Group now in place. The LEP was chaired by the recently appointed Chairman, John Spence.
2. Kent had successfully secured £40million Regional Growth Fund investment in its bud "Expansion East Kent", which would provide finance to businesses in Canterbury, Dover, Shepway and Thanet and support enhancements to the Ashford-Ramsgate rail route. Mr Lynes also spoke on the Regional Growth Fund (RGF) grant awarded to Vesta in its wind turbine manufacturing in Sheerness.
3. Mr Lynes announced that the Enterprise Zone designation had been secured for the Discovery Park, formerly Pfizer site, at Sandwich, which would mean a

business rate discount worth up to £55k per year discount for any business locating onto the site.

4. In response to a question, Mr Gill advised that Pfizer was in confidential negotiations with two interested parties about the sale of the site.

5. In reply to a question, Mr Gill explained that the empty property rate was a complicated issue, especially in trying to make a case for the removal of the empty property rate or increasing the time. It would be possible to use Pfizer as a case study as this was a national issue.

6. In answer to a question, Mr Gill gave an example of how the RGF could be used. "If an engineering company employed 9 people and needed to purchase machinery to improve access to employing more staff the RGF could give half of the funding and the applicant would have to find the other 50%, which had to be private funding.

7. In reply to further questions as to whether there were enough businesses and whether this would prevent straight relocation in East Kent, Mr Gill explained that we had to be assured that the application was genuine through the set appraisal. He agreed that this was a lot of money that had to be spent in 2 years. The RGF could be used by existing businesses to set up in Kent if they were employing more people through relocating.

8. In answer to questions, Mr Gill advised that it was not know if this funding could be used for loans as it was a grant scheme. Ms Cooper explained that officers were busy refining the process as there was no additional funding to administer the delivery of the scheme. She reassured Members that banks were committed to the RGF. Kent's target was to establish 5000 jobs and considered that this was the best opportunity for East Kent.

9. Mr Gill advised that it was anticipated that the government would be announcing a further investment programme Growing Places Fund (GFP). This would be a £500 million national pot. The intention is that the GFP is used to fund local recyclable funds. It was not clear what the process would be but Mr Gill considered that the appraisal for projects would be complex.

10. In reply to a question, Mr Gill said that in general this would include capital enhancement for property but he would need to check against the schemes guidelines and report back outside the meeting.

11. Mr Gill advised that 2 to 3 grant advisors would be appointed and each applicant would be allocated an advisor to guide them through the informal and formal process.

12. RESOLVED that the information in the report and to Members be noted, with thanks.

104. Update on Select Committee Work *(Item C1)*

(Report by Mr P Sass, Head of Democratic Services)

1. The Chairman gave an update on the proposal for an Informal Member Group (IMG) to look at the implications of the Seasonal Agricultural Workers Scheme (SAW) (Minute 91(1)(f)). He advised that he had been in discussions with the Chairman of the Scrutiny Board, Mr Hotson, and that there was agreement that an IMG would be set up in the near future and would report directly to Cabinet.

2. Mr Smith, Chairman of the Select Committee for the Student Journey, gave an update to the POSC advising of his disappointment that the Strategy on 14-24 year olds would not be published until 2014 especially in light of the current climate where young people were having difficulty finding jobs.

3. RESOLVED that:

- a) the information given in the report and comments by Members be noted;
and
- b) Members notify Mrs Singh suggestions they wish to put forward for consideration for the 2012 Select Committee Topic Review Programme.