

KENT COUNTY COUNCIL

ECONOMIC DEVELOPMENT CABINET COMMITTEE

MINUTES of a meeting of the Economic Development Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Thursday, 5 July 2012.

PRESENT: Mr M A Wickham (Chairman), Mr N J Collor (Vice-Chairman), Mr A H T Bowles, Mr K A Ferrin, MBE, Mrs E Green, Mrs J P Law, Mr R A Pascoe, Mr M B Robertson, Mr K Smith, Mr M V Snelling, Mrs E M Tweed and Mrs C J Waters

ALSO PRESENT: Mr M C Dance, Cabinet Member

IN ATTENDANCE: Mr R Gill (Economic Policy and Strategy Manager), Mr W Gough (Employment Programme Manager), Ms J Hansen (Finance Business Partner BSS), Mr Jarvis (Kent Downs and Marshes Leader Manager), Ms J Ward (Senior Partnership Officer) and Mrs C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

3. Election of Chairman

(Item A2)

Mrs Law proposed, seconded by Mrs Tweed that Mr A Wickham be elected Chairman of this Cabinet Committee

Carried

Mr Wickham took the Chair

4. Membership

(Item A4)

RESOLVED that the appointment of Mr Davies to this Cabinet Committee be noted.

5. Election of Vice Chairman

(Item A5)

Mr K Smith proposed, seconded by Mrs Tweed that Mr N J Collor be elected Vice Chairman of this Cabinet Committee.

Carried

6. Declarations of Members' Interest relating to items on today's Agenda

(Item A6)

Mr Bowles declared a non pecuniary Interest in relation to Item D5 "Growing Places Fund" as he is the Vice Chairman of the Thamesgateway Kent Partnership.

7. Minutes of the meeting held on 29 March 2012

(Item A7)

RESOLVED that the Minutes of the meeting held on 29 March are correctly recorded and that they be signed by the Chairman.

8. Future Meeting Dates 2012/13

(Item A8)

RESOLVED that the future meeting dates for this Cabinet Committee be noted as follows:

Tuesday, 1 May 2012	Wednesday, 9 January 2013
Thursday, 5 July 2012	Friday, 19 April 2013
Friday, 21 September 2012	Friday 14 June 2013
Thursday, 8 November 2012	Friday 20 September 2013
	Thursday 7 November 2013

(All meetings will commence at 10.00 am)

9. 12/ 01841 Local Authority Mortgage Scheme (for information) and Heritage Lottery fund (HLF) - Folkestone Townscape Initiative - Acceptance of Grant Offer from the HLF and delivery activity for the project

(Item C1)

RESOLVED that the decisions; Local Authority Mortgage Scheme and Heritage Lottery fund (HLF) - Folkestone Townscape Initiative - Acceptance of Grant Offer from the HLF and delivery activity for the project taken between meetings of this Cabinet Committee, be noted.

10. Bold Steps for Kent - Progress Report

(Item C2)

The Cabinet Committee agreed to take this Report with Item D9 "Verbal Update" on the agenda to reduce repetition of issues that needed to be raised.

11. Regeneration and Economic Development Financial Outturn 2011-12

(Item C3)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

1. The Chairman invited Ms Hansen to introduce the report. Ms Hansen gave a brief introduction highlighting this report would be submitted to the Cabinet meeting on 9 July. There were no major issues in 2011-12 for this portfolio. The extensive Capital and Revenue programmes were delivered to budget. The first exception report for 2012-13 would also be reported at the next Cabinet Committee meeting and there were no variances to report for this portfolio. The full monitoring as at the first quarter was scheduled to be reported to Cabinet on 17 September.

2. Ms Hansen stated that there were no issues on variances in Capital for 2011-12. She explained that the variance in the final column of £150k and £100k would be funded from the capital regeneration fund (variance -£250k) as approved by the Regeneration Board. The Cabinet Committee, at its meeting on 9 July, would be

asked to agree the virements from the Fund to the individual projects and this would then be monitored against for those schemes throughout 2012-13.

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

- a) In reply to a question Ms Hansen advised that Old Town Hall Operating cost was a capital spend on upkeep of the building and other major works and was not operational cost. There was an Old Town budget in revenue.
- b) In response to a question on the variance of outturn income of £1.7million against budget of £1.3million, Ms Hansen advised that £397k was made up of small variances across many projects. A lot of schemes were funded by European grants, which meant that there was a problem with forecasting what the grants would be.

4. In anticipation that the Policy and Resources Cabinet Committee at its meeting on 11 July, would agree to each Cabinet Committee setting up a Budget IMG, and this being ratified by County Council at its meeting on 19 July, the Chairman sought Members nominations for the Economic Development Cabinet Committee's Budget IMG Mrs Law, Mrs Waters, Mrs Green, Mr K Smith, Mr Robertson Mr Collor and Mr Wickham indicated their interest.

5. RESOLVED that:-

- a) The responses to questions and comments made by Members be noted; and
- b) The Revenue and Capital Financial outturn for 2011-12 be noted

12. Economic Opportunities for Romney Marsh

(Item D1)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

1. The Economic Strategy and Policy Manager, Mr Ross Gill, introduced the report. Members made comments and ask questions. The points raised included:

- a) The local Member, for Romney Marsh, Mrs Waters, made comments as follows:
 - Referring to paragraph 1.1 of the report advising that there were ancillary buildings on Dungeness A that could be used.
 - Dungeness B closure was looking to be extended by license by 20 years.
 - Referring to paragraph 1.4 of the report advised that the loss of jobs etc with Dungeness was worth £40 million to the Romney Marsh economy.
 - Mrs Waters advised that Romney Resource Centre undertook skilling people up and training.

- Good work had been undertaken to secure a bid from the Nuclear Decommissioning Authority for Romney Marsh, as historically most funding was allocated to Northern areas of England.
- Mrs Waters advised that a public meeting had been held in Romney Marsh which concluded that the area was diverse, reliant on the town of New Romney, there was a low economy base, no major employer and the area suffered low aspiration. This had resulted in a Task Force being set up, subject to Shepway District Council's ratification. There will be 10 Champions, one for each project area, to include; Young People, identifying and promoting quality of life and Transport.
- Mrs Waters sought support from KCC, the local District Council and the Managers of Dungeness A and B, with funding and data.
- a) Members of the Committee gave their support for the work being undertaken by Mrs Waters and the Romney Marsh Task Force.
- b) There was an opinion that there needed to be a focus on the local airport.
- c) It was considered that there needed to be a better bus service from Romney Marsh to Ashford to improve employment prospects.
- d) Members congratulated Mrs Waters on the Task Force and the work they would be undertaking
- e) A Member suggested that locally produced food, tourism and history in the Romney Marsh area should be promoted and suggested through Produced in Kent and Visit Kent.
- f) The following suggestions were made; (1) There may be an issue with trying to keep the high skilled jobs in the area following the closure of Dungeness A and B. (2) For Lydd Airport to be developed there needed to be a high speed rail link. (3) The future for Romney Marsh needed to be thought of on a larger scale such as locating a Post Graduate Institution there. A local Member for Shepway advised that the land was unsuitable to build on.
- g) A suggestion was made that the Shepway Development Framework may include proposals on employment which could be the route to gain funding from central government.
- h) It was advised that Shepway District Council was waiting for the Lydd Airport expansion to be approved by the Secretary of State. If approved this would necessitate the road infrastructure being developed. It was anticipated that the report on the airport would be available by August this year.
- i) A request was made for a "spider" diagram of the issues involving Romney Marsh to be circulated to Members.

2. In response, Mr Dance gave his support to the work being undertaken by Mrs Waters and the Romney Marsh Task Force. He offered KCC's plethora of data that may assist their cause. Mr Dance concurred with the view of a bigger plan for the area as this would act as a trigger for necessary funding. The issue would be monitored by this Cabinet Committee.

3. RESOLVED that the responses given to the comments and questions made by Members and the report be noted, with thanks.

13. Innovations Strategy

(Item D2)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

1. The Economic Strategy and Policy Manager, Mr Gill, gave a brief introduction to the report. Members were given the opportunity to make comments and ask questions. Points raised included:

- a) There was an opinion that similar strategies had been put forward in the past but had not been successful. It was suggested that Kent could do something similar to Silicon Roundabout, London Borough of Hackney, which was successful. In reply, Mr Dance advised that the focus on innovation as a driver of growth had increased over recent years and the European Union had recently launched a process to support the development of regional innovation strategies, focused on “smart specialisation”, which aligns with Kent’s existing sector focused economic development strategy. Meetings had already taken place with Kent companies and there was an existing skills base in Kent.
- b) A request was made for a progress report to the September meeting.

2. RESOLVED that:-

- a) the responses to comments and questions made by Members and the report be noted;
- a) agreement be given to the development of an innovation strategy for Kent capable of leading to a more coordinated approach within the county and potentially leveraging additional resources through alignment with the European Union’s current innovation strategy programme;
- b) agreement be given to the development of the draft prospectus as a basis for consultation with partners and the adoption of a Kent Innovation Strategy later this year; and
- c) a progress report on be submitted to the September meeting of this committee.

14. Kent Rural PLC Initiative

(Item D3)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

(Mr H Jarvis, Kent Downs & Marshes Leader Programme Manager, was present for this item)

1. The Chairman invited the Kent Downs & Marshes Leader Programme Manager, Mr Jarvis, to introduce the report. He highlighted the following:

- The initial findings from the Kent Rural PLC would form part of a presentation at a breakfast meeting event at the County Show in partnership with the Kent County Rural Agricultural Society, when the Secretary of State for Environment and Rural affairs would be present.
- The report itself will be launched at a sector specific event in October when the full findings will be presented and discussed.
- The report would be submitted to this Cabinet Committee beforehand for information.

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

- a) In response to a question, Mr Dance advised that at present there was no central database for rural based employment opportunities and one of the aims was to set this up.
- b) A request was made for a list of the people involved in the Kent Rural PLC Steering Group.
- c) A request was made for the background documents for this report to be sent to Members of this Committee.

3. RESOLVED that the responses to comments, questions and requests made by Members and the report be noted, with thanks

15. Regional Growth Fund: Proposal for North Kent *(Item D4)*

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

1. The Economic Strategy and Policy Manager, Mr Gill, gave a brief introduction to the report highlighting that Kent County Council's application for the third round of RGF funding (£1 billion) was submitted on 13 June for the "TIGER" Programme for £30.5 million. The decision on the bid would be given in October. Nationally there had been 400 bids made for the RGF funding.

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

- a) A request was made for the background information on this report in future.
- b) A request was made for the number of jobs the income would create.

3. RESOLVED that responses the comments and questions made by Members and the report be noted, with thanks.

16. Growing Places Fund

(Item D5)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

1. The Economic Strategy and Policy Manager, Mr Gill, gave a brief introduction highlighting that the South East Local Enterprise Partnership (LEP) had received and allocation of £32.5 million of which £16 million is allocated to Kent's projects. Essex County Council would act as the accountable body for the overall South East allocation. KCC will need to enter into a credit agreement and would act as the guarantor [this was currently being considered by KCC legal] with Essex County Council which will require a Key Decision and would be taken in August.

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

- a) It was agreed that on future reports to this committee the number of jobs a project was anticipated to generate would appear at the beginning of the report.

3. RESOLVED that:

- a) the responses to comments and requests made by Members and the report be noted; and
- b) the Cabinet Committee Members receive details of the decision on KCC entering into the credit agreement in line with the procedures in the Constitution for decisions taken outside Cabinet Committee meetings.

17. Update on Kent Jobs for Kent Young People Campaign

(Item D6)

(Report by Mr M Hill, Cabinet Member for Customer & Communities, and Ms A Honey, Corporate Director, Customer & Communities)

(Mr W Gough, Employment Programme Manager, was present for this item)

1. The Chairman invited the Employment Programme Manager, Mr Gough, to introduce the report. Mr Gough updated the information in the report before Members advising that the successes were; 165 Kent businesses had made contact about the Scheme and 109 had requested an appointment with a KCC Apprenticeship Advisor which had resulted in 153 opportunities pledged by businesses of which 46 vacancies had been advertised through Job Centre Plus. Mr Gough explained that the scheme was advertised to employers through radio bill boards and the press.

2. Members were advised that Apprenticeship Scheme had moved from Communities and Communities portfolio to Education, Learning and Skills portfolio.

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

- a) In reply to a question, Mr Gough advised that the being unemployed for 3 months was part of the criteria for them being on the scheme to receive an apprenticeship funding.
- b) Members noted that there was no data available on the effectiveness of the scheme as it needed to be running for at least 2 years to be able measure the benefits.
- c) Mr Gough assured Members that there was very good engagement with the District Councils advising that Gravesham had taken 5 apprentices. Thanet, Tonbridge and Shepway had their own schemes.
- d) Mrs Waters offered Mr Gough the opportunity of using the 10 poster sites in Romney Marsh.
- e) A suggestion was made for the advertising posters to be placed in more diverse places.
- f) In reply to a question, Mr Gough explained that the term “Apprenticeship” means that it had to be a government recognised scheme where the training and funding are made by the government. The scheme helps with giving transferrable skills, at level 2 or above with a minimum of a 12 month contract. The young person would be kept on by the business or leave with a qualification to find employment elsewhere. There were also work trials for a 4 week period where the young people were retained their Benefits before committing to a 12 month apprenticeship.
- g) Members were advised that this scheme was aimed at Kent employers. Within the Apprenticeship Strategy there was a Marketing Strategy for young people and parents.

4. RESOLVED that the responses to comments and questions by Members and the report be noted, with thanks.

18. Expansion East Kent Update

(Item D7)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

(Ms J Ward, Expansion East Kent Programme Manager, was resent for this item)

1. The Chairman invited the Expansion East Kent Programme Manager, Ms Ward, to introduce the report. Ms Ward highlighted the following points:

- Kent County Council had been awarded £40 million from the Regional Growth Fund.

- £35 million would be give direct financial assistance to businesses in East Kent to support job creation. [It is anticipated that this would create 5000 jobs]. This would be though interest free loans; and non repayable grants that would be available in exceptional circumstances.
 - £5 million would be used to support improvements to the rail line between Ashford and Ramsgate to enhance journey times.
2. Members would be given the opportunity to make comments and ask questions which included the following:
- a) It was mentioned that there had been problems in knowing where and who to contact in getting the application forms. It was advised that the form was on www.kent.gov.uk. There were also Business Support Clinics, which offers a range of services, for the County, to assist applicants with the form. There is also due to be a national scheme. KCC needed to keep its distance, as the lender, until the businesses had gone through the Scheme. The advice to the business is to have their Business Plan and investment ready.
3. RESOLVED that the responses to comments and questions by Members and the report be noted, with thanks.

19. Future Tours: Locate in Kent Visit Kent and Produced in Kent (Item D8)

(Verbal report by Mr A Wickham, Chairman, Economic Development)

1. The Chairman sought Members views on whether they wished to focus the tours on Locate in Kent, Visit Kent and Produced in Kent. The points raised included:
- a) a suggestion was made that the Cabinet Committee should focus on tourism in Kent, looking at the funding streams and what worked.
- b) Members agreed to the number of jobs being created due to the schemes etc within a report to appear at the top of each Economic Development report, when appropriate.
2. RESOLVED that the first tour be arranged to focused on tourism and future Economic Development Cabinet Committee reports include the number of jobs to be created at the top of the report, when appropriate.

20. Verbal Update by Director of Economic Development (Item D9)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development and Ms B Cooper, Director Economic Development)

(Members agreed to discuss item C2 and D9 together)

1. The Chairman invited the Economic Strategy and Policy Manager, Mr Gill, to introduce the report. Mr Gill highlighted the following:-

- The three priorities in Bold Steps are; (i) the development of relationships in key business sectors (ii) responding to major regeneration challenges and (iii) supporting the delivery of new housing and infrastructures.
- Following discussions with the key business sectors, the challenge was how to take the recommendations forward. There were themes that came through the conversations for super fast broadband, encouraging networking, access to finances for SMEs which could be taken forward generically. There were also initiatives that were sector specific. These would be answered through Kent's mainstream programmes and specific answers to them.
- High Growth Kent Project, which Kent funds, the contract comes to an end on 31 December. There is a new government service called "Growth Accelerator" [the contractor is Grant Thornton, which would offer similar services to High Growth Kent.
- Through consultation and discussion with businesses they have said that they lack decent business accommodation on flexible terms, such as the Medway Innovations Centre, Chatham Dockyard. Discussions had taken place with some of the District Councils on rolling out a future programme of supported work space, which potentially could lead to a regeneration fund bid.

2. Mr Gill then spoke on the challenges which included;

- Discovery Park – The period of exclusivity between Pfizer and London Metropolitan had come to an end so are now in discussion with other parties
- A sale of Thamesteel, Isle of Sheppey, had been agreed.
- In Sheerness, Vesta Wind Systems and the Port of Sheerness had decided not to proceed with the offshore on shore development. Locate in Kent continued to work with the ports and a number of potential investors.
- Kent Forum - There was a report looking countywide community infrastructure and the new levers for growth that had emerged prepared. The conclusion of the paper was to demonstrate the funding gap needed for the levers for growth.
- Future funding opportunities – At present there were no opportunities for Regional Growth Funding. There was an opportunity for European Structural Funds within Kent and the Assisted Area Map (AAM) as it affects the County. At present Thanet and the northern part of Dover benefits from the AAM. A new Map would be published in 2014 and Kent would be working and lobbying to keep that Assist Area status.
- The Local Enterprise Partnership (LEP) – Key issues are; Growing Places Fund. There were major pieces of work in the field of transport which the LEP was taking a close view on one of which was the publication of a consultancy report on aviation capacity across the South East as to how we can make best use of existing capacity and looks at the various options for a future Hub Airport might be. LEP had also looked at transport schemes across the LEP area, largely in preparation for the Local Transport Board (LTB), to be established next year. Guidance on the LTB is awaited from Government.

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

- a) Kent needed to grasp the huge scope for business in renewable energy businesses. Assurance was given that much work was being undertaking in this area already.
 - b) In reply to a question, Mr Gill advised that there was no conflict between the Bold Steps for Kent the Aviation Strategy.
- 4. RESOLVED that the responses to comments and questions by Members and the verbal update be noted with thanks.