

ECONOMIC DEVELOPMENT CABINET COMMITTEE

MINUTES of a meeting of the Economic Development Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Friday, 21 September 2012.

PRESENT: Mr M A Wickham (Chairman), Mr N J Collor (Vice-Chairman), Mr D L Brazier (Substitute for Mr A H T Bowles), Mr K A Ferrin, MBE, Mrs J P Law, Mr R A Pascoe, Mr K Smith, Mrs E M Tweed, Mr M J Vye and Mrs C J Waters

ALSO PRESENT: Mr M C Dance, Mr R F Manning and Mrs S Matthews-Marsh

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Ms J Hansen (Finance Business Partner BSS), Mr R Gill (Economic Policy and Strategy Manager), Mr S Dukes (Economic Development Officer), Mr N Smith (Head of Development and Investments) and Mrs C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

21. Membership

(Item A2)

1. The Chairman paid tribute to Mr Robertson. The Committee then stood in silence in memory of Mr M E Robertson.
2. RESOLVED that following the sad death of Mr Robertson there was a vacancy on the Cabinet Committee.

22. Minutes of the meeting held on 5 July 2013

(Item A5)

RESOLVED that the Minutes of the meeting were correctly recorded subject to Minute 4 being altered to read "the appointment of Mr A H T Bowles" and that they be signed by the Chairman.

23. Visit Kent - Presentation by Sandra Matthews Marsh, Chief Executive

(Item A6)

1. The Chairman welcomed the Chief Executive of Visit Kent, Mrs Sandra Matthews-Marsh, to the meeting and invited her to give her presentation. Mrs Matthews-Marsh welcomed the opportunity to speak to the Cabinet Committee before the Members took part in the 2 Visit Kent Tours in East and West Kent arranged in October.
2. Ms Matthews-Marsh gave a comprehensive presentation using overheads, as attached.

3. The Chairman reminded Members that the Service Level Agreement (SLA) for Visit Kent was due to end next year and Members would receive a report in November to discuss the way forward.

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

- a) In response to questions, Mrs Matthews-Marsh noted the annoyance of Members to North Yorkshire County Council using the title "Garden of England" and advised that North Yorkshire had a significantly larger marketing budget of £25 million in comparison to Kent, which had £2 million. Kent's strength was in working in partnership. In reply to the second question regarding the "Portas" Pilot in Ashford, Mrs Matthews Marsh agreed to make contact with the pilot towns.
- b) A suggestion was made that there needed to be an emphasis on quality hotels in Kent. Mrs Matthews-Marsh advised that she was not aware of any hotels being built outside London in the South East. She considered that destination management planning would help with planning for quality hotels in the future. A Member advised that a new hotel was under construction in Margate.
- c) A Member considered that there should be a strategy for Tourism.
- d) In response to concerns raised, Mrs Matthews-Marsh advised that; (i) the Website had been running for 4 years and was due to be revamped. (ii) 91% of the bookings were now made digitally instead of creating leaflets, which had been central to Visit Kent's Strategy and this would be reflected in the SLA. (iii) She disagreed with the comment made on the quality of the data and the figures detailed in the "Economic impact of tourism map" saying that the data was used across the country. In respect of Dartford's figures these will be skewed by the percentage of visits to "Bluewater" and the jobs in retail but if those were taken out it would be 3000 or less jobs.
- e) A request was made for information on what KCC was doing, regarding tourism, to ensure that Visit Kent and Seven Hills etc were working on the same goals for Kent. Ms Cooper explained that Visit Kent was working closely with her and Seven Hills in planning the campaign. Ms Matthews Marsh assured Members that Visit Kent made it their business to stay aligned with their partners.

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

24. Growing Places Fund: Agreement to enter loan for Infrastructure to unlock economic activity 12/01908

(Item B1)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development, Mr J Simmonds, Cabinet Member for Finance and Business Support, Ms B Cooper, Director, Economic Development and Mr A Wood, Corporate Director of Finance and Procurement)

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

1. The Chairman invited the Economic Strategy and Policy Manager, Mr R Gill, to introduce the report. Mr Gill highlighted that the Growing Places Fund provided funding to unlock developments which would otherwise remain stalled. It was agreed by the Local Enterprise Partnership (LEP) that Essex County Council would act as the accountable body for all the funding received from Government and any subsidiary loans would to project delivery bodies would be the responsibility of the relevant local authority. Kent County Council (KCC) therefore had to enter into a series of credit agreements with Essex County Council to draw down any funds and would in turn need to enter into a series of loan agreements with third parties.

2. Members noted that Kent County Council would need to fully appraise all schemes. There would be a Key Decision that sought approval for delegated power to be given to the Corporate Director Finance and Director of Economic Development in consultation with the Cabinet Member for Regeneration on individual credit agreements.

3. It was anticipated that if all the current schemes being considered for Growing Places Fund came forward they could help in delivering approximately 2,100 jobs.

4. RESOLVED that:-

- a) the contents of this report and the proposed arrangements for managing Growing Places Fund investment be noted;
- b) that the Cabinet Member for Regeneration and Economic Development, through the Key Decision process, takes forward the process set out in paragraph 3.4 be endorsed; and
- c) further reports be submitted to this Cabinet Committee on the progress of the Growing Places Fund in Kent and the projects benefiting from it, and to regularly consider emerging pipeline projects.

25. Kent Thameside Strategic Transport (Homes & Roads) Programme *(Item B2)*

(Report by Mark Dance, Cabinet Member for Regeneration & Economic Development, Mr B Sweetland, Cabinet Member for Environment, Highways & Waste, Mr D Cockburn, Corporate Director Business Strategy & Support and Mr M Austerbury, Corporate Director Enterprise & Environment)

(Mr S Dukes, Economic Development Officer, Economic & Spatial Development Unit was present for this item)

1. The Director of Economic Development, Ms Cooper introduced the report. Ms Cooper highlighted the following points:

- Kent Thameside (comprising many sites in Dartford and Gravesham) is a key transformer for the Thames Gateway.
- Kent County Council is seeking approval to recommit to acting as the accountable body for the transport projects which would include managing the programme and the funding.

- The estimated cost for the programme was £116.2m and anticipated funding was estimated at £84 million leaving a funding gap of £32.2million. Further public sector funding can not be secured currently. It is envisaged that opportunities will arise to secure additional public and private funding for the programme.
- As part of the recent negotiations, a revised S106 had been agreed for Land Securities and Dartford, Gravesham and KCC would each be contributing a proportion of their New Homes Bonus from the relevant sites.
- KCC had agreed to fund only what it was forecast to collect.
- All parties will come together in a Steering Group to agree an annual programme.

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

- a) A suggestion was made that KCC needed to coordinate the demands made by developers, as the focus was on highways but there would be demands for funding for community centres and school etc. Ms Cooper advised that that rest of the S106 agreement for Eastern Quarry had been retained as previously agreed but there are review points built into the agreement. Members were advised that the government had put out a consultation in August 2012 seeking views on the renegotiation of S106s agreed before April 2010.
- b) The programme was considered high risk especially in the current difficult economic times.
- c) In response to a question, Ms Cooper reassured the Committee that KCC would only spend what it would forecast to collect. There would be agreements with Dartford and Gravesham Borough Councils regarding the collection of S106/Cil monies. Mr Dukes had looked into the impact of different rates of development on cash flows. The annual programme would be agreed by the local authorities as well as Department for Transport (DfT), Highways Agency (HA) and Homes and Communities Agency (HCA).
- d) There was concern raised that Land Securities may have difficulty in selling the properties in the current economic climate. Ms Cooper concurred that this was a programme with big risk. Land securities had invested £120 million to secure the Eastern Quarry site and they still had a year of further work before they begin building homes. Land Securities have identified an accelerated build out programme and have appointed a project manager, Camland. Mr Dukes added that there would be rigorous monitoring through the proposed Steering Group.
- e) In reply to questions on whether the commitments were binding even with a change of government Ms Cooper said that she could not say whether any new government would hold to this commitment. The previous government offered significant monies but these were now not available within the current financial climate. Members also considered that £13 million contribution from the HCA was not particularly generous.
- f) Members requested regular updates.

- g) A suggestion was made that the marketing of the homes should think of a new name instead of Eastern Quarry. Ms Cooper explained that the developments would be marketed as villages in rural settings just 17 minutes outside London.

3. RESOLVED that:-

- a) the responses to comments and questions made by Members be noted;
- b) Kent County Council continues to act as the Accountable Body for the Kent Thameside Strategic Transport (Homes & Roads) Programme be agreed;
- c) the setting up of the Governance arrangements for the Kent Thameside Strategic Transport (Homes & Roads) Programme be entrusted to the Cabinet Member for Regeneration & Economic Development in consultation with Dartford and Gravesham Borough Councils be agreed; and
- d) the Corporate Director Business Strategy & Support be authorised, in consultation with the Corporate Director Enterprise & Environment, to negotiate and execute legal and/or partnership agreements pursuant to the delivery and management of the Kent Thameside Strategic Transport (Homes & Roads) Programme.

26. Kevin Lynes Apprenticeship Scheme (KLAS)

(Item B3)

(Report by Mr M Dance, Cabinet Member for Regeneration and Economic Development)

1. The Chairman invited Mr Dance to introduce the report. Mr Dance advised that the aim of the scheme was to benefit young people resident in low income households in Kent who required funding to benefit from an Apprenticeship Scheme to which they had been accepted or are currently undertaking. Initially the scheme would be funded by Kent County Council. It was proposed that a virement of £50,000 from the existing Kent Jobs for Kent Young People budget would be sought. The future aim would be to raise funds from outside organisations.

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

- a) Some Members raised their objections regarding a scheme being named after any individual County Councillor.
- b) Other Members supported the Scheme being named after Mr Lynes for all the work he had undertaken in this area.
- c) Members agreed to the assistance being given to young people following an apprenticeship.
- d) There was concern about how the scheme was going to be advertised to ensure that the funding reached those the scheme was set up to assist.

- e) A suggestion was made that applying for the funding should be as simple as possible.
- f) A request was made that the Cabinet Committee received progress reports on the areas coming forward to apply to the scheme.
- g) In response to why “Vulnerable Learners” would not be eligible for this Scheme, Mr Dance advised that “Vulnerable Learners” already had funding available in the original Kent Jobs for Kent Young People Fund.

3. RESOLVED that:

- a) The comments and responses to questions by Members be noted; and
- b) agreement be given to the Leader of the County Council carrying out the following:
 - (i) Agree the virement of £50,000 from the existing Kent Jobs for Kent Young People Budget to a newly established budget code entitled “Kevin Lynes Apprenticeship Scheme”;
 - (ii) Undertake the necessary actions to allow those monies to sit within, and be administered by, the Kent Foundation.
 - (iii) Agree the establishment of a Board, as detailed in the report, to have responsibility for allocation of grants to individuals and the direction of travel for the Scheme.
 - (iv) Agree the finalised scope, Terms of Reference and procedure rules for the Scheme and the Scheme’s Board; and
 - (v) Agree the final criteria for funding allocations from the Scheme in line with those detailed in this report.

27. Regeneration and Economic Development Portfolio Financial Monitoring 2012/13

(Item C1)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

(Ms J Hansen, Finance Business Partner, Business Strategy and Support was present for this item)

1. The Finance Business Partner, Business Strategy and Support, Ms Hansen advised that there were no variances in the first quarter’s full budget monitoring report for 2012/13.

2. The Chairman advised that the Budget Informal Member Group (IMG) had already held its first meeting on 11 September. He invited all Members of the Cabinet Committee to the next meeting of the Budget IMG, on Wednesday, 17

October, when the Chief Executive, Locate in Kent, Mr P Wookey, had been invited to attend.

3. RESOLVED that the revenue and capital forecast variances from budget for 2012/13 based on the first quarter's full monitoring to Cabinet be noted.

28. Budget Consultation 2013/14

(Item C2)

(Report by Mr Dance, Cabinet Member for Regeneration & Economic Development, Mr Cockburn, Corporate Director Business Strategy & Support)

(Ms J Hansen, Finance Business Partner BSS was present for this item)

RESOLVED that:-

- a) the consultation on the draft budget proposals launched on 6 September be noted;
- b) the proposed engagement on the specific budget issues for the portfolio of this Cabinet Committee be noted; and
- c) the Cabinet Committee debates the findings of the Budget IMG and the issues raised in the consultation at its November meeting.

29. Development and Infrastructure – Creating Quality Places.

(Item D1)

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

(Mr N Smith, Head of Development Investment was present for this item)

1. The Chairman invited the Head of Development Investment, Mr Smith to introduce the report. Mr Smith highlighted points that included:-

- The introduction and adoption of the Community Infrastructure Levy (CIL) over the next 2 years would take over Section 106 agreements although not exclusively.
- The CIL, unlike Section 106 agreement, covered strategic infrastructure affordable housing and viability had to be taken into account. KCC would work with Districts to agree the use of Section 106 and CIL to ensure developers are not charged twice for the same service.
- Under the Localism Act 2012 neighbourhoods would be able to retain a 'meaningful' proportion of the levy raised to implement community schemes, giving the community a greater say over how resources were deployed in their area.

- Kent County Council was developing an Integrated Infrastructure Finance Model to provide the evidence base to support the allocation of CIL.
2. Members made comments and asked questions which included the following:-
 - a) There was concern on the CIL being duly weighted on the development and the estimated cost of building a home of £60k seemed low and suggested must be higher now.
 - b) The local authority needed to be more assertive when it could not afford to pay for infrastructure.
 - c) A Member wanted to see less emphasis on enabling development than enabling infrastructure.
 3. RESOLVED that:-
 - a) the comments and questions by Members be noted;
 - b) the revised framework and technical approach to securing funding for community infrastructure for submission to the Corporate Board on 24 September and Cabinet on 15 October be noted; and
 - c) the next steps as outlined in section 4 of the report be noted.

30. Incubators / Start Ups Workspace Programme (Item D2)

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

1. The Director Economic Development, Ms Cooper introduced the report. The points raised included:
 - £3m from the Regeneration Fund was to be allocated to the provision of workspaces for start ups and micro businesses by utilising the empty properties and shops within the districts including properties owned by KCC. It was important that business support is provided too. There was no one solution for Kent.
 - Each bid will be considered against a set of criteria. In some instances, funding would be repaid through rent.
2. RESOLVED that the contents of the report and the proposed approach and next steps be noted, with thanks.

31. Richborough Energy Park (Item D3)

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

1. The Committee considered a report on the emerging proposals for the development of an energy park at the site of the former Richborough Power Station.

2. The Chairman invited Mr Smith to speak as he had requested the report. Mr Smith spoke of the potential for the project generating green energy through biomass generators, anaerobic digesters and wind power providing energy for every household in Kent. He spoke enthusiastically about the potential for local skills and training opportunities and a visitor's exhibition centre as part of the energy park. The Chairman thanked Mr Smith for bring the proposals on the development to the attention of the Cabinet Committee.

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

- a) Clarity was sought on how the proposals were going to be financed.
- b) There would be enormous planning implications in moving the materials around the County.
- c) A comment was made that although the general principle was welcomed they could not support another interconnector with Belgium like the already existing interconnector with France which only brought power to the United Kingdom (UK) from France.
- d) It was considered that we should be building our own generation of energy.
- e) The wood chip should be from the UK. If this project happened it would be important to ensure that Kent benefits, and not other countries, from the demand of woodchip.

4. RESOLVED that:-

- a) the comments and questions by Members be noted; and
- b) the emerging proposals for an Energy Park at Richborough and without prejudice to KCC's position on future planning applications acknowledges the economic benefits for Kent linked to this development be noted with thanks.

32. Verbal Update by the Director of Economic Development *(Item D4)*

1. The Chairman invited Ms Cooper to give her update which included the following:

- Discovery Park Limited – the new owners are very serious about Sandwich. They are seeking tenants from across the world. It is important to remember that the site houses the highest specification laboratories in the United Kingdom. This will however be a long process, probably taking 7-10 years before the previous employment levels are achieved. .
- TIGER – The £30m bid for innovation has been shortlisted and the bid team have been interviewed by BIS. Expecting an announcement some time in the autumn.
- Grow for It: East Kent – This was a campaign for East Kent which would include building awareness outside of Kent to the opportunities in Kent as well as building pride amongst businesses and partners locally.. Seven Hills had

been appointed and are starting planning the campaign. Members requested a presentation by Seven Hills at a future meeting.

2. The Chairman gave the local Member for Romney Marsh, Mrs Waters, the opportunity to give an update on Romney Marsh Nuclear Waste site since the last meeting of the Cabinet Committee. Mrs Waters made comments as follows:

- The survey results had shown that 33% of residents wanted further information, 63% did not want more information, and not one Parish wanted information. Shepway District Members agreed not submit an Expression of Interest. Mrs Waters said that personally she had not been in favour of the proposal. She thanked Kent County Council, in particular Mr Ross Gill, Economic Strategy and Policy Manager.

3. RESOLVED that the information in the verbal update be noted, with thanks.