

KENT COUNTY COUNCIL

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, 14 June 2013.

PRESENT: Mr M A Wickham (Chairman), Mr M A C Balfour, Mr A H T Bowles, Miss S J Carey, Mrs T Dean, Mr S Holden, Mr R A Latchford, OBE, Mr G Lymer, Mr F McKenna, Mr R J Parry (Substitute), Mr C Simkins and Mr R Truelove

ALSO PRESENT: Mr M C Dance

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Mr W Gough (Economic Development Manager), Mr D Hughes (Head of Business Engagement and Economic Development) and Mrs A Hunter (Principal Democratic Services Officer)

UNRESTRICTED ITEMS

2. Election of Vice-Chairman

(Item A3)

Proposed by Mr Parry, seconded by Ms Carey and

RESOLVED that Mr Holden be elected as Vice-Chairman of the Economic Development Cabinet Committee.

3. Declarations of Members' Interests relating to items on today's Agenda

(Item A4)

There were no declarations of interest.

4. Minutes of the meeting held on 6 March 2013

(Item A5)

RESOLVED that the Minutes of the meeting held on 6 March 2013 are correctly recorded and that they be signed by the Chairman.

5. Overview of Economic Development - Verbal

(Item A6)

(Report by Ms B Cooper, Director of Economic Development)

- (1) Ms B Cooper gave a presentation on "Unlocking the Potential – KCC's role in delivering growth and backing business in Kent". The presentation covered: the changing growth agenda, KCC's strategy for growth, and the implementation of that strategy including business growth, infrastructure and development, and strategy and partnerships

- (2) Ms Cooper responded to questions by Members and confirmed that:
- (a) The EU is the primary source of increased funding and efforts should continue to secure such development funding;
 - (b) The role of district and borough councils in economic development is non-statutory and the role and contribution varies across Kent;
 - (c) In west Kent the emphasis is on supporting business start ups particularly as there are not many large sites to bring forward for development;
 - (d) Various methods are used to assess the value of KCC's role in economic development particularly as most development activity takes place in conjunction with partner organisations. It was confirmed that in some cases KCC managed the process in its entirety such as Expansion East Kent, in other cases shared the success with others in unlocking potential housing sites and in other cases KCC was able to bear some of the risk to "push projects over the line" to completion;
- (3) It was considered that the emphasis of this Committee should be a strategic one with a clear focus on Kent as a whole and not on individual electoral divisions or districts.
- (4) **RESOLVED** that the responses to Members' comments and questions and the information in the verbal report be noted.

6. Growing Places Fund

(Item B1)

(Report by Mark Dance, Cabinet Member for Economic Development, and Barbara Cooper, Director – Economic Development)

- (1) Ms Cooper introduced the report which gave details of the Growing Places Fund that provides loan finance via the Local Enterprise Partnerships to bring forward infrastructure where this would unlock homes and jobs. Subject to final appraisal the South East LEP has allocated £6 million to support projects in Kent.
- (2) Mr Dance and Ms Cooper asked for the Committee's comments on the final appraisals for:
- (a) Up to £629,000 to bring forward a commercial site at Sturry Road, Canterbury and
 - (b) Up to £2.95 million to deliver the second phase of The Base Incubator and Business Centre at Dartford.
- (3) Mr Dance and Ms Cooper confirmed that the appraisals for the Discovery Park Enterprise Zone, Sandwich and Southfleet Road, Ebbsfleet would not go forward at this time.
- (4) In response to questions and comments Ms Cooper said that:

- (a) The Growing Places Fund calls for applications three times each year and applications are shortlisted by using criteria such as whether planning permission exists, the ability of the applicant to repay the loan and the likelihood of jobs being created and sustained;
 - (b) The viability of projects was independently assessed on a case by case basis;
 - (c) Loans must usually be re-paid within 1-5 years to enable the money to be recycled, due diligence is undertaken and the loans cannot generally be used to subsidise companies of particular sizes or types;
 - (d) As the Growing Places Fund is used to support organisations that cannot get funding from elsewhere there is, necessarily, a higher risk profile than commercial banks would support;
 - (e) There is not a single figure of “cost per job”. For example the cost per job funded by the Regional Growth Fund is between £12K-£15K while the cost per job funded by Expansion East Kent is between £7k-£25K and the cost of jobs in life sciences tend to be higher than hotel and catering jobs.
- (5) **RESOLVED:**
- (a) That the final appraisals for: up to £629,000 to bring forward a commercial site at Sturry Road, Canterbury and up to £2.95 million to deliver the second phase of The Base Incubator and Business Centre at Dartford be endorsed.
 - (b) That that the appraisals for the Discovery Park Enterprise Zone, Sandwich and Southfleet Road, Ebbsfleet be not considered at this time.

7. 2012-13 Business Plan Summary Monitor Report

(Item C1)

(Report by Mark Dance, Cabinet Member for Economic Development, and David Cockburn, Corporate, Director for Business Strategy and Support)

- (1) Mr Dance introduced the report which gave an overview of the performance against each business priority in the Economic Development and Spatial Unit 2012-2013 Business Plan highlighting key achievements and outstanding issues. It also provided a full year outturn performance for key indicators reported to the Performance Evaluation Board.
- (2) During the discussion there was a request that the full summary of performance referred to in paragraph 2.3 of the report be provided at a future meeting of the Economic Development Cabinet Committee.
- (3) Questions were raised about: the percentage of new jobs in Kent that were “home grown” compared with the jobs being attracted from elsewhere; the importance of attracting jobs not only from Europe and North America but also from London and elsewhere in the UK; the future role of the International Board; the need for graduate level jobs; and for international schools.

- (4) Mr Dance said that: the future of the International Board was being reviewed; next year would be very important for INTERREG Bids and work was already underway but further local intelligence on partners' activities would be required to maximise success.
- (5) Mr Dance also said that he sat on the Business Advisory Board at Canterbury Christ Church University and both this university and the University of Kent had an international outlook. He said the life and bio science industries would provide high quality job opportunities for graduates.
- (6) **RESOLVED:**
 - (a) That the comments and answers to questions be noted;
 - (b) That a full summary of performance be presented to a future meeting of the Committee.

8. Unlocking Kent's Potential: Developing a Growth Plan for Kent

(Item D1)

(Report by Mark Dance, Cabinet Member for Economic Development, and Barbara Cooper, Director – Economic Development)

- (1) Ms Cooper introduced the report which set out progress to date in developing “Unlocking Kent’s Potential” and explained how it was being taken forward in the light of changing Government policy and the evolution of the South East Local Enterprise Partnership.
- (2) The Economic Development Cabinet Committee had previously considered proposals for a re-refresh of “Unlocking Kent’s Potential” to develop a new strategy for economic growth at its meeting in March 2013. Since then initial consultation with business and with district and borough council leaders had taken place. In addition the Government had proposed devolving some economic development funds and had asked Local Enterprise Partnerships to prepare growth plans setting out future investment priorities. This was considered to be an opportunity to which the refreshed Unlocking Kent’s Potential would need to respond.
- (3) In response to questions, Ms Cooper said that the annual spending review on 28 June would indicate the size of a new Single Local Growth Fund that would be available in 2015, Kent County Council’s plans for growth would need to be sufficiently robust to benefit from any funding provided nationally and would therefore concentrate on three priorities – unlocking infrastructure, unlocking business growth and unlocking skills
- (4) **RESOLVED:**
 - (a) That the contents of the report be noted;
 - (b) That a further report, including a draft consultation version of Unlocking Kent’s Potential, be received at the next meeting of the Economic Development Cabinet Committee on 20 September 2013.

9. School for Creative Start-ups Kent

(Item D2)

(Report by Barbara Cooper, Director of Economic Development. David Hughes, Head of Business Engagement and Economic Development was also present for this item)

- (1) The Cabinet Committee considered a report on a proposal to establish a School for Creative Start-ups Kent. Mr Hughes introduced the report and said the proposed school was an innovative, initially two-year programme based in Folkestone specifically designed to teach artists and designers the skills required to turn their aspirations into viable, scalable and successful businesses. He also said the school was based on the successful model developed by entrepreneur, Doug Richard, at the London based school for Creative Start-ups and the aim was to work with up to 200 potential start up business over a two-year period.
- (2) In response to questions Mr Hughes said:
 - (a) The project was not solely aimed at young people;
 - (b) 60 applications for each place which cost £3,500 were received at the London School for Creative Start-ups and it was anticipated that many applications would be received in Folkestone;
 - (c) Only 4 out of 100 participants on the London course did not complete it
 - (d) It was proposed to provide places at the school free to participants for the first year;
 - (e) Additional financial and in-kind support was likely to be forthcoming from Shepway District Council and the Creative Foundation and a bid for funding had been submitted to the Coastal Community Fund;
 - (f) It was proposed to support the project in Folkestone for two years with a view to it becoming self-financing in accordance with the London model;
- (3) Comments were also made about:
 - (a) the risk to KCC and the wish to know more about Doug Richard and the London School for Creative Start-ups;
 - (b) the value placed on learning provided free to the beneficiary;
 - (c) the need to look at what beneficiaries of the courses should be able to give back to Kent, perhaps through apprenticeships or mentoring;
 - (d) the desirability of providing tapering support over the two years of the project;

- (e) The desirability of ensuring the course is accredited so as to make it attractive, bankable and saleable for those participating.
- (4) **RESOLVED** that the proposal to set up a Kent based School for Creative Start-ups in Folkestone be supported.

10. Maximising Business Engagement

(Item D3)

(Report by Wayne Gough, Economic Development Manager. Wayne Gough was present for this item)

- (1) Mr Gough introduced the report which looked at possible solutions for maximising the benefits of KCC's relationship with business. He said that the vision was to: have a strong relationship with the business sector to support growth and jobs; understand the needs of business; respond quickly to what business is saying; facilitate Kent companies in accessing appropriate support and in facilitating opportunities for business to network and develop mutually beneficial relationships.
- (2) In response to questions and comments he said it was not intended to duplicate any mechanisms already in place, the emphasis would be on signposting business to services and funding; instigating 1:1 meetings with 50 key Kent companies, facilitating the creation of sector based groups along the lines of Kent Rural Plc to enable networking and to provide a sector based reference group that can advise KCC on sector specific support.
- (3) **RESOLVED** to support the draft action plan for maximising business engagement set out at Appendix 1, 2 and 3 of the report.

11. Theme/Visits for Economic Development Cabinet Committee Members eg Visits to RGF Winners - Verbal

(Item D4)

- (1) Mr Wickham said that previously the Economic Development Cabinet Committee had received presentations from various organisations and had visited a range of businesses to learn about their opportunities, successes and any impediments to success and these visits had been very worthwhile.
- (2) **RESOLVED** to arrange visits to some of the winning applicants to the Regional Growth Fund

12. Verbal Update by the Director of Economic Development

(Item D5)

There was no verbal update.