

By: Mark Dance
Cabinet Member for Regeneration and Economic Development

Barbara Cooper
Director, Economic Development

To: Economic Development Cabinet Committee - 3 December 2013

Subject: Half-year Performance Dashboard and 2013/14 Business Plan
Monitoring

Classification: Unrestricted

Electoral Division: All

Summary:

This report updates Economic Development Cabinet Committee Members on performance to date against project activities set out in the 2013-14 Economic Development and Spatial Unit business plan.

Recommendation:

The Cabinet Committee is asked to REVIEW and DISCUSS the report.

1. Introduction

1.1 The objective of Kent's Economic Development function is to create the environment for business to grow and jobs to be created. To help achieve this objective the Unit has developed a work programme centred around three core priorities closely aligned to the key economic development and regeneration objectives set out in Delivering Bold Steps and Unlocking Kent's Potential:

- Encouraging Business Growth;
- Delivering Infrastructure and Housing; and
- Developing Strategy and Partnerships.

1.2 This report updates Economic Development Cabinet Committee Members on performance against our key performance indicators from 1st April 2013 and 30th September 2013 and also provides a commentary on key business activities.

2. Performance review

2.1 Performance to date

Indicator	Performance 1 April 2013 to 30 September 2013	Business Plan Targets	
		Target to 30 September 2013	Annual target
Number of jobs created ¹	2,532	1,250	4,050
Financial leverage secured	£41,257,532	£25,000,000	£67,000,000

Current performance shows good progress has been made to reach the overall target of 4,050. Regional Growth Fund programmes (Expansion East Kent and TIGER) account for 40% of the total jobs reported.

Commentary on key business activities

Direct Access to Finance

- 2.2** We continue to provide access to finance to small and new businesses wishing to grow within Kent. At 1st November 2013, Expansion East Kent has allocated £19.84million to 61 businesses (full contract stage and current pipeline cases) which will deliver 1612 full time equivalent jobs and secure an additional £55.5 million from the private sector. In North Kent, TIGER has allocated £4.3m to 16 businesses (full contract and current pipeline cases) which will deliver 457 full time equivalent jobs and secure £4.8m private sector investment. We aim to launch the Escalate project to businesses in West Kent, Maidstone and parts of East Sussex in December.
- 2.3** The Marsh Million fund for small business on Romney Marsh, supported by Magnox and the district councils in Ashford and Shepway is now open to applicants and by 15th November attracted 21pre-applications, 17 of which have been put forward to full application stage.
- 2.4** Along with Magnox and Shepway District Council the KCC Workspace Incubator Challenge Fund is providing financial support to establish a new incubator centre at New Romney which over three years will deliver 45 jobs (created or safeguarded) and support 30 new businesses located in / using facilities of incubator units. In addition, 20 businesses will leave the incubator space and move into second phase facilities and 100 businesses will receive specialist advice.
- 2.5** The School for Creative Start-Ups Kent programme started in October 2013 at the Quarterhouse in Folkestone following a marketing campaign over the preceding two months. There are 86 early stage start-up businesses involved,

¹ Jobs created performance figures includes committed new jobs and safeguarded jobs in Kent and Medway.

comprising 94 people in total. The majority of successful participants are from Folkestone, Canterbury and Thanet although coverage is countywide and the range of creative activities involved includes digital, cuisine, fashion, product design and broadcast media. KCC is fully funding the programme which runs from October 2013 to June 2014.

Business support activity

- 2.6** A business support programme has been established across all districts in Kent. Although the programme of support varies across Kent this is in order to meet the needs of the business communities. The partnership arrangements with districts and business support organisations have been successful and have identified a further need for support to the medium size businesses in order to support their growth plans.
- 2.7** We are reporting to the 18th November Regeneration Board on two key initiatives within the Business Engagement Programme.
- The Key Kent Companies (KCC) initiative seeks to identify and build relationships with businesses in Kent considered significant to the county, or who show strong promise for the future, or who are in key sectors of the economy. We will look to provide a direct line of contact, offering meetings with key KCC staff, organising regular networking opportunities, and ensuring that the businesses are receiving the full range of advice and services that they could benefit from in Kent. We will look to involve them in these programmes, and use them as a reference pool for future programmes, where they are willing.
 - The second paper discusses the creation a Unified Business Portal with a simple, category-based structure, covering a wide range of business support.
- 2.8** Learning from the sector conversations previously held with the Construction Sector, Kent County Council were the lead sponsors of the Kent Construction Expo, enabling the Council to engage with a wide range of businesses on a number of subjects, whilst delivering a networking opportunity for businesses in Kent. The Leader of the Council provided the opening address of the event, and Kent County Council services were promoted from a joint stand that included cross-directorate representation, giving businesses the opportunity to understand how they could benefit from services which included Kent Jobs for Kent Young People, the three RGF Loan Schemes; Tiger, Escalate, and Expansion East Kent, alongside the Warm Home scheme, and Fusion (advice and grants for Low Carbon), and the Kent Design and Development Awards.
- 2.9** As a part of developing the Kent and Medway strategic growth plan, the Kent and Medway Economic Partnership have organised a series of sector focus groups to identify opportunities and challenges in the relevant sectors so that they can be included in the refreshed Unlocking Kent's Potential plan. During November meetings will have been held with business leaders from Finance (8th), Land based (20th), Low Carbon (21st), Creative & Digital, (19th) Construction & Development (27th) and Tourism & Hospitality (28th), A Life Sciences & Healthcare meeting is planned for 10th December.

- 2.10** In January 2013, we commissioned High Growth Kent (HGK) to provide coaching for businesses with high growth potential. At 30th September, 25 companies have received coaching. In October, HGK launched its first HGK ONLINE Coach alerts which will go to over 300 senior executives that are part of its Alumni network. Also being offered are coaching evenings where through a combination of peer to peer learning and coaching, key topics and updates will be provided.
- 2.11** We continue to market Kent both overseas and in the UK. LIK activity has created/safeguarded 1,120 jobs between 1st April 2013 and 30th September 2013. In the same period, 662 enquiries and 87 new projects were added to the pipeline. The majority of these, 61% were knowledge based and 88% were in high growth sectors. LIK 'lead generating' agencies retained in USA and France/Germany are actively developing plans for the next six months. One US company has visited Kent twice during September/early October.
- 2.12** The 2 Seas Trade project is delivering a series of activities to help Kent companies increase their export trading activity. In April, 8 Kent companies attended a workshop event on Culture & Legislation in EU markets. Three further are planned for October: "Selling Services to France", "Doing business in the Netherlands" and "Innovation for Independent Living Conference" and will involve over 50 Kent companies. Kent businesses have also participated in market visits to France and Belgium including Infopol (security sector), in May 2013, Ghent (12 Kent companies) and Environord (eco-tech sector), in June 2013, Lille (23 Kent companies). Two further events are planned for September and October: "French-UK B2B networking event (multi-sector) in Lille and "Aquatech (water management and treatment" in Amsterdam.
- 2.13** The KIB100 scheme was launched in June 2013 but take up is not yet at the target level. We have 25 Kent business members and need to continue to promote and grow the scheme. Consequently, the sector-focused market visit has not yet been delivered as partners were waiting for input and ideas from the KIB 100 to ensure that the sector focus and selected market was determined by the views of Kent businesses. Feedback and discussions from businesses indicate that peer to peer mentoring is valuable for them but not many have signed up.
- 2.14** Kent Invicta Chamber of Commerce was commissioned to deliver 6 "Export Start Up" roadshows but was unable to attract suitable registrations for any of the planned events. KICC is currently reworking its proposal to deliver the workshops for new exporters during the current financial year. The first event should take place in West Kent in January.

Support to key business sectors

- 2.15 Rural.** The LEADER Programme is on course to close down on 31st December with all outstanding projects completed and all claims submitted. Consultation and debate on the new Rural Development Programme for England has been continuing all year and is now culminating in a consultation exercise on the implementation of CAP reform in England, which has just

been launched (November 1). This consultation will, in part, decide how much funding will be available to Leader programmes and what priorities Leader programmes should focus on in their submissions. In July, Defra awarded £30k to KCC to develop a new LEADER programme for submission in July/August 2014 for a new programme start in January 2015.

2.16 Produced in Kent (PinK) have undertaken the following lobbying activity:

- 10% Local campaign launched at County Show with political support from Helen Grant MP.
- Sponsor now in place (Lenham Storage) to promote the campaign across the county.
- Written evidence supplied to MAS in their discussion with DEFRA on efficacy of local food. PinK has now been invited to present their case to DEFRA in person early 2014.
- All Kent MPs have been written to individually to make them aware of PinK role and to make them aware of the 10% campaign. They will be reminded again at Christmas.
- PinK signed up Turner Gallery and a major care home group (Avante Care) as corporate members to assist in raising profile of PinK.

2.17 PinK has also attended and displayed at all major relevant events including the County Show and Canterbury Food and Drink Festival.

2.18 PinK's development work has included:

- Work to register PinK trademark is underway with Board approval.
- Other funding opportunities being explored include engaging in commercial activity including retail sales, selling consultancy and training services.
- Engaging with Invicta Chamber of Trade to deliver training workshops for the West Kent Partnership (which will be paid for by WKP).
- Securing support of City and Guilds to design and develop the 1st Certificate in Farmers' market management'. This will be unique to Kent but applicable and saleable globally as the C&G accreditation has international recognition.
- Developing strategy for food hubs and incubation units.

2.19 Tourism. A new business plan for 2013 -2017 approved by the Visit Kent Board is in place focusing on Know Kent (marketing), Grow Kent (business support and development) and Welcome Kent (skills and customer care). 36 Key Performance Indicators have been set and are monitored on quarterly basis. Note that this plan will need to be reviewed and updated once the results of the recent KCC tender are confirmed.

2.20 Visit Kent is working closely with KCC, People 1st and the National Hospitality Guild to develop A Kent Hospitality Guild and is preparing a funding bid to the Regeneration Fund to drive this project forward.

2.21 Visit Kent with partners has delivered a range of activity to profile the county and support economic growth. This has included:

- Launch of new website with mobile responsiveness, itinerary building and near-by cross selling functionality. All tourism businesses and event have a free listing.
- Expansion of Kent Contemporary Campaign, a major London advertising campaign to include Port Lympne, Ashford Designer Outlet and Bluewater.
- Off Peak campaign with HS1 and Southeastern with a presence for a week at St Pancras Station promoting Autumn Breaks
- 2for1 campaign in partnership with Southeastern, Stagecoach, Arriva and the cross channel operators with over 15,000 voucher downloads so far.

2.22 Low Carbon Sector. KCC were involved in an ERDF bid led by the Isle of Wight Council and designed to support sector growth across the region through a new public private body. However, the project delivery plan proved unworkable and the County Council has now withdrawn from the project. This work is now being progressed through The Kent and Medway Offshore Renewables Working Group and a new bid has been prepared for EU Structural Funds allocated to the LEP and which will become available from mid-2014. In the meantime funding has been made available by TGKP of up to £35k to support interim activities to strengthen supply chain development in the Kent CORE and to support preparation of a bid for LEP EU funding in 2014.

2.23 We have also been taking action to maximise Kent's designation as a CORE. The University of Chichester were commissioned and have completed supply chain database and gap analysis study. The next steps will be to integrate the database with existing sector business directories and roll out recommended actions on supply chain development. The Kent Wind Energy web portal (www.kentwindenergy.co.uk) has recently been refreshed to improve its role as an information resource supporting sector development in Kent.

2.24 BBP Regeneration Ltd have been commissioned to undertake a Green Box feasibility study to look at the potential for a visitor and low carbon technologies centre in North East Kent. This is a partnership project with Thanet District Council. The study is being funded through FUSION, an Interreg IVA 2 Seas Programme project and is nearing completion with possible locations for the centre identified at East Kent College in Broadstairs and the former Hovis Mill site in Ramsgate. The preferred choice will depend on the consultant's recommendations in respect of business case and viability.

2.25 A spatial risk assessment for water has been commissioned and the draft report was issued at the beginning of November. The final report is now due in the first week of December. We have also facilitated the development of a programme of support for agricultural and horticultural businesses on water availability which will be presented to the Task Group for sign off on November 27th.

Developing economic assets

- 2.26** Phase 2 residential development land sales have gone very well with Areas 01, 03 and 05 and 57 completed and now under construction. Area 62 has been successfully tendered and is likely to be completed before end of December 2013. It is intended to submit a revised Phase 3 Outline Planning Application for Kings Hill by the end of the end of 2014. The land disposal strategy has therefore been held in abeyance until the re-master plan/resubmission has been completed and progressed to a determination.. Area Residential land demand and values are still very strong particularly where the Kings Hill Partnership promotes land sales with detailed consents in place, thereby significantly reducing risks and delays to land transaction process.
- 2.27** The Land sale of Manston Park, Plot 5 completed in May 2013 and the development of site for incubator space units has progressed rapidly. All three buildings are under construction, and we expect they will be completed in early summer 2014. Further land sales are looking promising with regular approaches forthcoming from agents Savills, Locate in Kent and directly to East Kent Opportunities (EKO) LLP. Expansion East Kent funding is improving those prospects.
- 2.28** The Eurokent Outline Planning Application is essential to secure a future viable business plan for EKO. However the application was refused by Thanet District Council. EKO is to appeal the decision.

Housing and Infrastructure

- 2.29** Discussions are underway with Local Authorities across Kent on the infrastructure required to support growth to inform the preparation of Infrastructure Delivery Plans. These plans have an important role in informing how development contributions (whether CIL or S106) might be allocated to support growth and the potential roles of different delivery organisations in bringing forward infrastructure. A Corporate Major Sites Group has been established to improve communication across the authority to ensure that Directorates input effectively to this process and any issues that need be addressed are teased out. We have also established a major sites database to refine site specific requirements and to take into account the outcome of site specific S106 negotiations.
- 2.30** The Thames Gateway Kent Partnership has recently provided a briefing to the Thames Gateway Ministers Brandon Lewis and Kris Hopkins on delivery issues. This included feedback from the Kent Developers Group and drew on some of the work of the KCC Major Sites Group. A further meeting is planned to discuss specifics.
- 2.31** The number of empty properties brought back into use, under the No Use Empty Initiative (NUE) between April 2013 and September 2013 is 297, (cumulative total since 2005 is 3,006). The total number of jobs supported for

the same period is 74, (cumulative since 2005 is 404).NUE is experiencing high demand for short term loans and is expected to have its best year ever. As at 30 September 2013, NUE has approved loans totalling £2M, supporting 99 individual units, for this financial year. This brings the total amount loaned to £8.6M, which has leveraged £13.8M giving a total investment of £22.4M to date. The value of loans repaid to date is £3.5M, (40%) with no formal recovery required.

- 2.32** The NUE Affordable Homes Project has funding value of £1.8M Capital Funds (£1M KCC regeneration fund and £795k from Homes and Communities Agency (HCA). The overall target is to achieve 45 units of affordable accommodation by 31st March 2015. The first project approved is in Folkestone and scheduled to complete January 2014 returning 7 units. This is a former commercial property used as offices that have been empty for several years. Further projects have been identified in Folkestone and Gravesend.

Profiling Kent

- 2.33** We have profiled Kent at:

- The business to business conference which took place on April 25th and was a great success with over 400 exhibitors and over 3,500 delegates.
- The 2020 Start Up conference which took place on October 23 and was this year expanded with the launch of Kent 2020 Marketing Live. The event went very well and had more exhibitors and delegates than last year's inaugural event.
- The KEiBA Event took place on 27 June.
- Three Kent Ambassador briefings on the topics of Health, Olympic Legacy and Sport in Kent and the Kent Coastline have been held. A fourth briefing on Creative Industries is planned for 4th December.

3. Recommendation

- 3.1** The Cabinet Committee is asked to REVIEW and DISCUSS the report.

Author Contact Details:

Name: Theresa Warford, Economic Development Officer
Directorate: Business Strategy and Support
Telephone: 01622 221927
Email: theresa.warford@kent.gov.uk

Background Documents:

None