

KENT COUNTY COUNCIL

GROWTH ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE

MINUTES of a meeting of the Growth Economic Development and Communities Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Tuesday, 15 April 2014.

PRESENT: Mr M A C Balfour, Mr A H T Bowles, Miss S J Carey, Mr B E Clark (Substitute) (Substitute for Mr R H Bird), Mr S Holden, Mr J A Kite, MBE, Mr R A Latchford, OBE, Mr G Lymer, Mr F McKenna, Mrs E D Rowbotham, Mr C Simkins, Mr R Truelove and Mr M A Wickham

ALSO PRESENT: Mr R H Bird and Mr M C Dance

IN ATTENDANCE: Mrs T Bruton (Head of Regeneration Projects), Ms B Cooper (Director Economic Development), Ms J Hansen (Finance Business Partner (Strategic & Corporate Services), Ms E Harrison (Economic Development Officer), Mrs C A Singh (Democratic Services Officer) and Ms J Ward (Senior Partnership Officer)

UNRESTRICTED ITEMS

1. Apologies and Substitutes
(Item A2)

Apologies for absence were received from Mr Bird. Mr B Clark attended as substitute.

2. Election of Chairman
(Item A3)

Mr Bowles proposed, seconded by Mr Simkins, that Mr Wickham be elected as Chairman of this Cabinet Committee.

Carried

Mr Wickham took the Chair

3. Election of Vice Chairman
(Item A4)

1. Mr Balfour proposed, seconded by Mr Bowles that Mr Holden be elected as Vice Chairman of this Cabinet Committee.

Carried

2. RESOLVED that Mr Holden was elected Vice Chairman to the Growth Economic Development and Communities Cabinet Committee.

4. Declarations of Members' Interest relating to items on today's Agenda
(Item A5)

No declarations were received.

5. Minutes of the meeting held on 23 January 2014
(Item A6)

RESOLVED that the Minutes of the meeting held on 23 January 2014 are correctly recorded and that they be signed by the Chairman.

6. Future Meeting Dates 2014
(Item A7)

RESOLVED that the future meeting dates for 2014 be noted as follows:

Tuesday, 8 July in the Darent meeting Room
Tuesday, 16 September in the Council Chamber
Tuesday, 2 December in the Darent meeting Room
(All meetings will commence at 10.00 am)

7. Verbal Updates by Cabinet Member for Economic Development and Cabinet Member for Community Services
(Item A8)

1. The Cabinet Members Mr Dance and Mr Hill gave their verbal updates and highlighted the following:

Mr Dance, Cabinet Member for Economic Development

2. Mr Dance advised that he visited West Flanders, Belgium, where he signed a Memorandum of Understanding to forge a partnership with European partners, which would aid access to European funding.

3. Mr Dance advised that he attended a secondary school in Picardy, accompanied by Ms Jacqui Ward, Expansion East Kent Programme Manager, which had a large engineering workshop, containing £62 million of machinery that had been funded mostly by the State. The young people were trained to a high standard and local businesses were able to come to the workshop with engineering problems which the students would be tasked to solve. This operation had put them in a position for funding from a fund called 'Horizon 2020' which had €79 billion funding available for innovation and research projects. Mr Dance said that Kent could work with Picardy and Nord pas de Calais on similar models.

4. Mr Dance attended Dover Harbour Board (DBH) where the Secretary of State for Transport, Stephen Hammond, was in attendance. The Minister had changed the Trust status slightly which would allow the DHB to access funds and grow its assets to allow the Harbour Board to expand. This would be in place in June/July. There would be representation from the People's Port on the new Trust.

5. Mr Dance spoke on Garden City Ebbsfleet and referred to the 2 major road initiatives at Ebbsfleet and Bean junction and the housing developments in Dartford

and Gravesham. He considered that having Paramount as part of this expansion would be a unique opportunity.

6. Mr Dance responded to comments and questions by Members which included the following:-

- a) A comment was made that Paramount would be an enormous opportunity for Kent, potentially producing 40,000 jobs.
- b) In reply to a question, Mr Dance considered that the benefits of the workshop in Picardy to Kent would be to mirror that model in eg the Skill Centre in Sittingbourne.
- c) A comment was made that Kent Members and Officers should not need to travel to France to gain information. Mr Dance responded saying that meeting people face to face broke down barriers and was to Kent's advantage.

Mr Hill, Cabinet Member for Communities

7. Mr Hill advised that although the Communities Directorate had been decommissioned as a result of a decision at the County Council meeting on 27 March, the Communities portfolio continued and had been split over the 3 newly appointed Directorates. As well as this Cabinet Committee, Mr Hill's portfolio fell within the remit of the Environment and Transport Cabinet Committee and Education and Young People Services Cabinet Committee.

8. The Communities portfolio within the remit of this Cabinet Committee was; Arts, Big Society and Volunteering and Voluntary and Community Sector Liaison. Mr Hill agreed to submit a report on the Big Society to the next meeting of this Cabinet Committee.

9. Mr Dance, Mr Hill and Mr Austerberry responded to comments and questions by Members which included the following:

- a) Mr Austerberry confirmed that Sport was within the remit of the portfolio of this Cabinet Committee. [*Libraries and Registration and Archives were also within the portfolio of this Cabinet Committee*]
- b) Mr Hill concurred that all the Cabinet Committees could have a service linked in some way to the voluntary sector. He advised that the database of volunteers for the Olympics in 2012 could be used by Kent to allow contact for various projects but there were very tight rules regarding its use.

10. RESOLVED that the responses to questions by Members and the information in the verbal update be noted with thanks.

8. PRESENTATIONS - *(Item A9)*

Video presentations

1. Members of the Cabinet Committee watched a short video on TIGER. Due to a fault with the video for 'Level 39 Sleeping Giant Media' the link to the YouTube video would be forwarded to Members after the meeting.

Presentation by Professor Richard Werner

2. The Chairman welcomed the Professor Richard Werner, D.Phil (Oxon), the Professor of International Banking at the University of Southampton.

3. Professor Werner gave a presentation entitled "Establishing Community Banks in the UK". He discussed the parameters of the banking system in the UK of which, 90% was controlled by 5 banks and the benefits and ethos on having local community banking especially for Small and Medium sized Enterprises (SMEs).

4. Professor Werner responded to comments and questions by Members which included the following:

- a) A Member recognised the difficulties, outlined by Professor Werner, in applying for a business loan from the large high street banks.
- b) In reply to a question, Professor Werner advised that the large banks were undercapitalised and they would continue to ration funding to SMEs. He had not experienced any problems in attracting deposits in community banking. The big banks currently had low reputation with recent criminal activity, market rigging and bankrupting companies. If customers see an alternative it made sense that they would look into it. Community banks were also able to raise their interest rates to attract depositors. He highlighted that Hampshire County Council was setting up a community bank where they had a Foundation and the shareholders received a grant.
- c) Mr Werner said that there had been not difficulties with recruiting personnel with skills in banking as in the current climate bankers had quit their posts or been laid off. The community banking personnel were prepared to work without bonuses.
- d) In reply to a question, Professor Werner advised that a number of local authorities were supportive to community banking including Eastleigh Borough Council, Hampshire County Council and Portsmouth City Council.
- e) A Member questioned whether this should be directed to the growth fund. SME were receiving loans before the economic crisis. Professor Werner advised that the new community bank in Hampshire was ahead with its fund raising targets, the bank had to be viable and each loan had to be assessed.

5. RESOLVED that the responses to comments and questions by Members and the information given in the presentations be noted with thanks.

9. Draft 2014-15 Growth, Environment and Transport Directorate Business Plan (Strategic Priority Statement)

(Item B1)

(Report by Mr M Dance, Cabinet Member for Economic Development; Mr D Brazier, Cabinet Member for Environment and Transport; Mr M Hill, Cabinet Member for Community Services; and Mr M Austerberry, Corporate Director of Growth, Environment and Transport)

1. The Corporate Director for Growth, Environment and Community Services, Mr Austerberry, introduced the report on the Strategic Priority Statement which was the directorate level business plan for 2014/15 for the newly appointed Growth,

Environment and Transport Directorate for consideration and comment by the Cabinet Committee before being approved by the Cabinet Members and Corporate Director.

2. Mr Austerberry and Ms Cooper explained that a Strategic Priority Statement was being produced for each new directorate in the new organisational structure. This Strategic Priority Statement brought together services that support one another from the former Environment Highways and Waste; Economic Development and Communities Directorates; and outlined the key priorities for each directorate along with the high level of resourcing, risk and performance management information.

3. Mr Austerberry and Mr Dance responded to comments and questions by Members which included the following:

- a) A comment was made that the link between the elements pulled together to form the new Growth, Environment and Transport Directorate from the former directorates was "infrastructure".
- b) In reply to a question, Mr Austerberry advised that there had been short term funding streams to deal with the effects of flooding issued directly to businesses. There had also been funding for rail network in Kent which had gone well which had been coordinated through a dedicated team at KCC. He advised that insuring against flooding was a far bigger question. He confirmed that no County Council had received a direct funding scheme for flooding from the Government.
- c) Mr Austerberry agreed to produce a report on a strategic approach on funding and prioritising areas of flooding that would be submitted to both the Environment and Transport Cabinet Committee and this Cabinet Committee.
- d) A suggestion was made that KCC could be invited to be part of local district and borough schemes regarding flooding.
- e) Members were reminded that KCC had a Flood Management Committee chaired by Mr Mike Harrison, where they could raise their concerns to avoid duplication of issues being considered.
- f) Members welcomed the assurance that they would retain the opportunity to comment and endorse the directorate business plans although approval was no longer a Key Decision.

4. Resolved that:-

- a) the responses to questions by Members be noted;
- b) the Corporate Director for Growth, Environment and Transport submit a report on a strategic approach to funding for and prioritising areas of flooding to a future meeting of this Cabinet Committee; and
- c) the draft 2014/15 Directorate business plan (Strategic Priority Statement) for the Growth, Environment and Transport directorate be noted.

10. Financial Monitoring 2013-14
(Item B2)

(Report by Mr M Dance, Cabinet Member for Economic Development; Mr M Hill, Cabinet Member for Communities; and Mr M Austerberry, Interim Corporate Directorate for Growth Environment and Transport)

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

1. The Finance Business Partner, Mrs Hansen introduced the report and highlighted key points from the third quarter's monitoring report for 2013-14 that were within the remit of this Cabinet Committee explaining that were variances within the libraries, Registration and Archives Services where there was an £645k underspend which related to the early 2014/15 savings and an increased Registration income for wedding ceremonies. There were no variances within the Regeneration and Economic Development section of the portfolio.

2. RESOLVED that the revenue and capital forecast variances from the budget for 2013-14.

11. Digitising Kent: Realising the Potential of New Digital Technologies

(Item C1)

(Report by Mr M Dance, Cabinet Member for Economic Development and Mrs E Harrison, Economic Development Manager)

1. The Economic Development Manager, Mrs Harrison, introduced the report that highlighted how Kent could become a 'digital leader' unlocking significant benefits for Kent's economy and improving the quality of life for the County's residents.

2. Mrs Harrison responded to questions by Members which included the following:

- a) A Member referred to paragraph 1.3 of the report, which highlighted the ways in which digital technologies could increase productivity and made a request that she would like to see more work carried out in this area. Mrs Harrison advised that she was working closely with the ICT Team to look at ways of raising awareness throughout Kent.
- b) A Member commented that this was the most important item on the agenda and likened it to the industrial revolution.
- c) In reply to a question, Mrs Harrison advised that KCC was working with Microsoft but would be happy to work with any of the 'big players' within the information technology industry. Microsoft was giving Kent access to information and experts in the field which it might otherwise not have had such as key speakers at the launch at the 'Kent Reimagined' event on 24 April 2014.
- d) A comment was made that Cisco Systems was a lead in speed data.

3. RESOLVED that the responses to questions by Members and the report be noted.

12. Establishing a 'Kent Tourism & Hospitality Guild'

(Item C2)

(Report by Mr M Dance, Cabinet Member for Economic Development and Mrs T Bruton, Head of Regeneration Projects)

1. The Head of Regeneration Project, Mrs Bruton, introduced the report that gave details of, the ambition for and progress towards, the establishment of a Kent Tourism & Hospitality Guild following the initial public proposal at the 'Kent Tourism Conference 2013' at the end of March last year. It was estimated that initial setup, development and operation of the Guild, which would eventually include a digital portal marketing campaign and curriculum development, would cost £80,000 over three years. £30,000 had been committed from the Regeneration Fund and the Education and Young People Services Directorate had committed a further £10,000 along with specific activity to support the curriculum/skills framework pilots starting this year.

2. The following comments were made by Members:

- a) Members, cross party, gave their support to the establishment of the Kent Tourism & Hospitality Guild.
- b) A comment was made that the primary challenges for the tourism and hospitality sector in Kent listed in paragraph 1.5 of the report mirrored the rural sector.
- c) A comment was made that a key issue was for young people to acquire good interpersonal skills in this public facing industry.

3. RESOLVED that:-

- a) the comments by Members be noted; and
- b) the plans to further progress the initiative with partners and stakeholders and the report be noted.

13. Update on Regional Growth Funds

(Item C3)

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

(Mrs J Ward, Regional Growth Fund Programme Manager was present for this item)

1. The Regional Growth Fund Programme Manager, Mrs Ward, introduced the report giving a detailed account of how the applications for the three Regional Growth Funds were processed and appraised.

2. Mrs Ward responded to questions by Members which included the following:

- a) In reply to a question, Mrs Ward advised that there were no typical characteristics of the Small and Medium sized Enterprises (SMEs), they were not like for like as they ranged from young entrepreneurs to existing companies that were looking to branch out and export their goods. Ms Cooper explained that, unlike the banks' computerised process for lending, a lot of time was taken to interview the people behind the businesses seeking Regional Growth Funding and the investment was in those individuals.

- b) In reply to questions, Mrs Ward advised that part of monitoring the businesses that were given funding was through Member visits and through their contract which clearly sets out targets, repayment schedules and action should they default etc. To date only one company had defaulted.
- c) In response to a question, Mrs Ward explained that Expansion East Kent offered funding to those companies that had export potential. Fudge Kitchen was a good example of a company successfully exporting its goods.

3. RESOLVED that the responses to questions by Members and the report be noted.

14. Strategic Economic Plan and the Kent and Medway Growth Deal

(Item C4)

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

1. The Director of Economic Development, Ms Cooper, introduced a report that outlined the content of the Strategic Economic Plan and the funding request as it relates to Kent and sets out the anticipated next steps.

2. Across Kent and Medway, Essex and East Sussex, the strategic Economic Plan sought £1.1 billion from the Local Growth Fund. For Kent and Medway, it sets out proposals to secure £501.5 million in Local Growth Fund investment over six years (approximately £80 million per year) to unlock 49,000 homes and 60,000 jobs by 2021. The proposals within the plan; and how the £501.5 million was allocated were set out on page 78 of the report. It was anticipated that the Government would announce funding allocations for 2015/16 in the summer, following a period of negotiation with the LEP. A further report would be submitted to a future meeting of this Cabinet Committee.

3. Ms Cooper responded to comments and questions by Members which included the following:

- a) A comment was made that this was an excellent plan and that it was good to bid for more than pro rata.
- b) In reply to question, Ms Cooper advised that the information used regarding housing etc was extracted from the current local plans by the district councils but this was recognised as a 'moveable feast' as housing figures changed.
- c) Referring to page 106 of the report it was advised that 'Operation Stack' was now referred to as 'Overnight Lorry Park'.
- d) Members requested current data on unemployment in Kent.

4. RESOLVED that:-

- a) the responses to comments and questions by Members be noted;
- b) this Cabinet Committee receive the current unemployment figures in Kent be noted; and

- c) a further report be submitted to this Cabinet Committee and the information set out in the report be noted.

15. Verbal Update by Director of Economic Development
(Item C5)

There was no verbal update.

Chairman.....

Date.....