

Kent and Medway Economic Partnership

KENT AND MEDWAY ECONOMIC PARTNERSHIP BOARD

10 November 2014

ITEM 2

MINUTES of a meeting of the Kent & Medway Economic Partnership (KMEP) held in the Medway Innovation Centre, Maidstone Road, Chatham, ME5 9FD on Monday, 7 October 2014.

Business representatives

Geoff Miles (Chair)
Graham Brown
Phil Cunningham
Jo James
Vince Lucas
Andrew Metcalf
Jon Regan
Nick Sandford
Paul Thomas
Paul Winter

Elected local government representatives

Andrew Bowles (Swale and Canterbury)
John Burden (Gravesham and Dartford)
Paul Carter (Kent County Council)
Rodney Chambers (Medway Council)
John Gilbey (Canterbury and Swale)
Nicolas Heslop (Tonbridge & Malling and Sevenoaks)
David Jukes (Tonbridge Wells and Maidstone)
David Monk (Shepway and Ashford)
Paul Watkins (Dover and Thanet)

Higher education representative

Prof Dame Julia Goodfellow

Further education representative

Simon Cook

Officers in attendance

Julie Beilby (Tonbridge & Malling), Alison Broom (Maidstone), David Candlin (Tonbridge Wells), Ann Carruthers (KCC) Robin Cooper (Medway), Ross Gill (KCC/ KMEP Secretariat), David Godfrey (SE LEP), Madeline Homer (Thanet), David Hughes (KCC), Tim Ingleton (Dover), Abdool Kara (Swale), David Liston-Jones (Thames Gateway Kent Partnership), Karla Phillips (KCC), Susan Priest (Shepway), Mike Rayner (KCC).

Apologies

Business representatives

Paul Barrett
Peter Fleming
Eliot Forster
Paul Gardiner

Further education representative

Graham Razey

1. Welcome, introductions and apologies for absence

(Item 1)

The Chairman, Mr Geoff Miles, opened the meeting and welcomed those present

2. Minutes of the previous meeting held on 14 July 2014

(Item 2)

Jo James was incorrectly referred to as Jo Jones throughout.

Abdool Kara was not recorded as present despite having attended the meeting.

With the above amendments noted, the minutes of the previous meeting were agreed as a correct record.

There were no matters arising that were not referred to elsewhere in the agenda.

3. Local Growth Fund: Round 2

(Item 3)

The Partnership received a report by Ross Gill, Economic Strategy and Policy Manager for KCC, which explained the request from government for an indicative list of projects for consideration in second round LGF funding allocation. Ross thanked all of those who had contributed to the submission and particularly the support received from Medway Council and the District Councils.

He described the content of the report and the way in which it had been compiled and in particular referred to the following:

- That the government had indicated that there would be £500million made available nationally for the second round bids which would be allocated in 2016/17 and 2017/18.
- That SELEP had set out an ambitious yet realistic priority list seeking £50million of those funds.
- That it was acknowledged that the scoring system used to select entries for the list could be improved. It had been used in order to facilitate a necessarily speedy response to government but would be improved for future use to ensure that infrastructure projects were not necessarily favoured over others.
- That the list was genuinely indicative at this point. Should the government respond in January 2015 as suspected the projects set out would be subject to due diligence, full scoping and appraisal and as such the final call for projects may see some changes from the list as submitted.

Disappointment was expressed by Mr Bowles, Leader of Swale Borough Council that the significant M2 Junction 5a scheme did not feature on the list, despite its strategic importance.

Nick Sandford also expressed concern that the list was heavily focussed on transport and infrastructure projects and reminded members that the Partnership had wider aims, such as supporting business innovation and growth.

Dame Julia Goodfellow reported that she and the wider university sector had supported the transport emphasis in the first round submission but was disappointed that the University of Kent bid could not succeed on the second round list despite being ready to move forward immediately on receipt of funding. It was noted that innovation related projects should be encouraged in future rounds.

David Godfrey, Director for the South East LEP, reminded the Partnership that there would be further comprehensive discussions with ministers before any decisions were made and indeed before the final figure for allocation were settled upon. It was crucial in this time that the partnership did all that it could to encourage an increase in the overall pot and part of this process would be to put forward the types of project that the government had an interest in seeing delivered. There would however be a written letter to accompany the priority list submission which would put the entries in to context and deal with some of the issues raised by Partnership members.

It was RESOLVED that the report and priority projects for submission to government be NOTED and a report on proposal for an improved scoring system would be put forward for consideration at the Partnership Board.

4. Delivering the LGF Transport Programme

(Item 4)

The Partnership received a presentation from Ann Carruthers, Head of Strategic Planning and Policy at KCC detailing the progress of the Local Growth Fund Phase 1 transport projects.

It was RESOLVED that the report be NOTED

5. Future LEP Governance: The Irene Lucas review

(Item 5)

The partnership received a presentation from Ross Gill, Economic Strategy and Policy Manager for KCC, regarding the recommendations of Irene Lucas relating to LEP governance.

In particular the presentation highlighted the following issues:

- That the review had focussed on the democratic and financial accountability of the LEP structure.
- That it was likely that the final report would recommend two main changes to address these issues:
 - (a) The establishment of an Accountability Board at LEP level that would have decision making powers delegated via the Local Government Act 1972 by establishment as a Joint Committee of participating authorities.
 - (b) The apportionment of additional resources to manage the complicated transport programmes associated with the LEP funding.
- That it was crucial that the governance mechanisms put in place were reflected in the federated model in order to maintain the arrangements in place in the SELEP region and therefore it may be necessary to establish a KMEP Accountability Board.
- That work would need to be conducted with all participating authorities and in particular with Essex as accountable body to ensure that the federated model remained strong and local areas were responsible for the identification, delivery and monitoring of the projects within the locality. How this would work in practice would require investigation and was likely to be

reliant on close working and agreement between the Essex 151 officer and counterparts at local level.

- That other considerations would be largely related to identifying systems and procedures for managing overspends and non-spends at a local level and the decision making routes that would need to be in place related to such issues.

The Partnership discussed the information received. The following comments were received from members:

- That the federated model had been agreed and any new arrangements must serve to protect and strengthen that model. If the government would not support that approach it should be made clear that SELEP as constructed could not be maintained.
- That detailed rules and procedures would need to be drawn up in order to support the federated model. These would related to the financial limits on monitoring by local boards, and on underspending or non-spending to establish at what point the full SELEP board should be involved and when Board wide priorities would take precedent over local priorities if ever.
- That the government should be reminded of, and encouraged to support, the localism agenda by supporting the federated model in the South East LEP area.

It was RESOLVED that the report be NOTED and that a report be considered by the next meeting providing the KMEP detailed response to the proposals contained within the review.

6. Business growth: Kent and Medway Growth Hub and the innovation and Growth Strategy Statement *(Item 6)*

The Partnership received a presentation regarding the proposals for a Growth Hub.

The Partnership was asked to consider two options for the delivery of the Growth Hub – a centrally managed service across the LEP, or a locally managed service at Kent and Medway level. Following debate, the Partnership reached a consensus in support of the latter.

In addition to the revenue funding the Partnership considered the £6million capital funding made available for business growth. Options were presented for consideration. It was agreed to progress a proposal for access to business finance. However, it was noted that any final project should seek to enhance future bids to EDRF. In response, suggestions were received regarding the potential to maximise funding allocations by focusing on carbon reduction programmes.

It was RESOLVED by consensus that the preferred options be pursued. It was agreed that more detailed proposals be worked up and presented to the Board for further consideration.

7. Future Kent and Medway Growth Strategy *(Item 7)*

Ross Gill, Economic Policy and Strategy Manager, reported to the Partnership on the development of the Growth Strategy. He reminded members that the original development of the plan had been somewhat overtaken by events when the Government made a call for priority projects for phase 1 of

the Local Growth Fund, at which time the drafting process had focussed on the prioritisation of projects, and was bid-like in its nature.

He proposed that the time was now right to update the plan in order to complete and adopt it as the strategic document as was originally intended.

It was RESOLVED by consensus that work restart on the Growth Plan.

8. Future meeting dates

(Item 8)

The Partnership confirmed the future meetings dates as:

Monday 10 November 2014 - earlier start time of 4pm

Monday 1 December 2014

9. Any other business

(Item 9)

ERDF: Nominations are being sought for representation on the new European Structural and Investment Funds sub-group of the National Growth Board. This will consider applications under the new ESIF arrangements.

Construction Expo: Jo James reported that the Kent Construction Expo would take place later in the week at the County Showground at Detling and encouraged members of the Partnership to attend.

Manston Airport: It was reported that an update would be provided for discussion by Thanet Council Cabinet on October 16.

KCC Senior Officer Update: Mr Carter, Leader of Kent County Council, reported that as a result of Barbara Cooper's promotion to Corporate Director of Growth, Economic Development and Transport. David Smith had been appointed as the Council's new Director of Economic Development.