

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 Thursday, 22 January 2015.

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

ALSO PRESENT: Mr M C Dance, Mr P M Hill, OBE,

GUESTS: Mr K Mansfield, Economic and Community Services Manager Swale Borough Council and Mr P Wookey, Chief Executive, Locate in Kent, Chief Executive, Locate in Kent

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr R Gill (Economic Policy and Strategy Manager), Mr D Smith (Director of Economic Development), Mr P Crick (Director of Environment, Planning & Enforcement), Mr S Gasche (Principal Transport Planner – Rail), Mr K Tilson (Finance Business Partner - Customer & Communities), Ms J Ward (Senior Partnership Officer) and Ms C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

53. Apologies and Substitutes
(Item A2)

Apologies were received from Mr Kite and Mr Lymer.
Mr Marsh was present as substitute for Mr Kite and Mr Davies was present as substitute for Mr Lymer.

54. Declarations of Interest by Members in items on the Agenda
(Item A3)

Mr McKenna made a declaration regarding Item B3 "Rail Capacity in Kent to support Economic Growth" as he was a full time employee of Network Rail.

55. Minutes of the meeting held on 2 December 2014
(Item A4)

RESOLVED that the Minutes of the meeting held on 2 December 2014 are correctly recorded and that they be signed by the Chairman.

56. Verbal updates
(Item A5)

1. The Cabinet Member for Community Services, Mr Hill, gave his verbal update advising that the consultation on Kent Libraries had been launched on 12 January 2015 and would close on 8 April. A series of 27 Roadshows would be held across the County when the details of the future of Libraries would be explained. Members had been sent details of the dates and times of the Roadshows and were welcome to attend.
2. The Cabinet Member for Economic Development, Mr Dance, gave his verbal update on the North West of the County explaining that he viewed the Urban Development Corporation in Ebbsfleet and the Paramount Theme Park project in synergy. The Paramount Theme Park would require rail infrastructure to transport visitors to and from the site via High Speed 1, Southeastern and Eurostar. He considered Kent would need to lobby for Crossrail to be extended from Abbey Wood through to Ebbsfleet.
3. Mr Dance and Mrs Cooper then spoke on Operation Stack [This was within the portfolio of Mr Brazier, Cabinet Member for Environment and Transport although it impacted on issues within the remit of this Cabinet Committee] resulting from a fire in the Channel Tunnel. Mrs Cooper advised that she had sent Members of the County Council an update regarding Operation Stack on the evening of 21 January 2015. It was unlikely that Operation Stack would be lifted before Friday, 23 January. It was not anticipated that there would be welfare issues for the lorry drivers caught up in Operation Stack. There was little KCC could do in this matter as this was a Police lead incident with support from the Highways Agency. KCC had responsibility regarding the transportation of livestock. Those lorries would be taken out of the line earlier.
4. The situation was exacerbated by electrical faults in the Tunnel. This incident had coincided with the ferry companies taking ships out for winter refurbishment and repairs, in what was normally their quietest time. Mrs Cooper advised that she would receive further updates on Operation Stack through the day.
5. Mrs Cooper advised that KCC representatives had met with Dover Harbour Board, Euro Tunnel and the Police to discuss long term solutions. Members were reminded that Operation Stack had not been instituted more than five or six times in the last five years.
6. Mr Dance and Mrs Cooper noted comments as follows:
 - a) There were over 2000 lorries currently parked on the motorway to Dover which raised the question on how many lorry parks would be needed to accommodate them.
 - b) It was reported that the toilet facilities provided for the lorry drivers were a mile apart.
7. RESOLVED that the information in the verbal update be noted.

57. PRESENTATIONS:

(Item A6)

(Verbal presentations by Mr A Bowles, Leader of Swale Borough Council, accompanied by Mr K Mansfield, Economy and Community Services Manager, Swale Borough Council, and Mr P Wookey, Chief Executive, Locate in Kent)

1. The Leader of Swale Borough Council, Mr Bowles, and Mr Mansfield, Economy and Community Services Manager, Swale Borough Council, gave a presentation using overheads on the current and future aspirations for economic growth in Swale.

2. Mr Bowles and Mr Mansfield responded to questions by Members which included the following:-

- a) Mr Mansfield advised that although there had been discussions with Universities linked into the particular technologies in companies within the Kent Science Park there was more focus on securing a Further Education facility.
- b) Mr Bowles advised that there was a major leakage of retail spending from the borough's town centre to Canterbury, Maidstone and Bluewater. It was considered that the economic regeneration of the Town Centre would bring employment and an improvement on the viability of the existing high street.
- c) Mr Bowles considered that local residents had been consulted and now wanted to see the results. He considered that Swale was one of the most successful boroughs in completing housing projects, some of which were affordable housing. Housing close to the railway station and town centre had to be suitable for those areas. Parking within the town centre had been calculated on the number of visitors expected and designed accordingly.

3. Mr Dance advised that there had been discussing the possibility of hosting a small conference for Maritime industries. There were a lot of building projects happening along the Medway and Thames Rivers and the rivers could be utilised to transport aggregate and metal. He saw Swale and Sheerness as major players in this. Mr Bowles said that he supported the initiatives and reminded the Committee that the Port of Ridham had its own rail head.

Mr Wookey, Chief Executive, Locate in Kent

4. The Cabinet Member, Mr Dance, introduced the item explaining that Locate in Kent's budget: the contribution was being reduced by £100k per year. The foreign investment budget was agreed at £150k per annum for up to 3 years to be reviewed after year two.

5. The Chief Executive of Locate in Kent, Mr Wookey, gave a presentation using overheads. Locate in Kent had been in a new contractual arrangement with KCC from March 2014. He explained that Locate in Kent's role was to attract new investment into Kent and create jobs in types of industries that Kent wished to

attract. Locate in Kent also supported businesses and investors that had already invested in the County.

6. Mr Wookey noted comments and responded to questions by Members as follows:

- a) Mr Wookey explained that the targets set for Locate in Kent were based on the number of jobs created. Under the contractual arrangements there were various service levels and service credits which were monitored on a monthly basis and assessed each March.
- b) Mr Wookey agreed with the comment that perceptions on quality of life depended on who and where you were, as there were many different inequalities. It would be difficult to attract high quality high value jobs in an area where the perception was poor. Mr Wookey advised that when an area is regenerated the perceptions improved. Mr Hill gave the example of the work carried out in Margate and Folkestone through the creative quarter.
- c) Mr Wookey agreed to report back to this Cabinet Committee on the progress of the Kent Life Science Network.

7. RESOLVED that:-

- a) the responses to questions by Members be noted;
- b) a report be submitted to a future meeting on the Kent Life Science Network; and
- c) the information given in the presentations by Mr Bowles, Mr Mansfield; and Mr Wookey be noted with thanks.

58. Budget 2015/16 and Medium Term Financial Plan 2015/18
(Item B1)

(Report by Mr J Simmonds, Deputy Leader and Cabinet Member for Finance and Procurement, Mr M Dance, Cabinet Member for Economic Development, Cabinet Member for Community Services Mr A Wood Corporate Director for Finance and Procurement and Ms B Cooper, Corporate Director for Growth Environment and Transport)

(Mr K Tilson, Finance Business Partner, GEDC Directorate, was also present for this item)

1. The Finance Business Partner, Mr Tilson, introduced the report explaining that it sets out the financial assumptions made in formulating the budget when it was sent out for consultation on 9 October [Feedback from the consultation in its appendices 5 and 6 of the report] that indicated the savings that needed to be made in the next 3 years. The Provisional Settlement, received on 18 December, meant that those assumptions were broadly in line. The one change was the receipt of an

additional £6 million from council tax and rebates from district councils, which allowed for pressures to be funded and saving requirements to be reduced.

2. The budget 2015/16 was launched on 12 January 2015 and would be considered by the County Council at its meeting on 12 February.

3. Mrs Cooper and Mr Tilson noted comments and responded to questions by Members as follows:

- a) Mr Tilson advised that the consultation on the Kent Libraries was on going. There were no savings for 2015/16 for the Libraries Registration and Archives or the Trust as the outcome for the consultation was not yet known. The savings of £710k from staffing, was to make the management team, back office and support team as lean as possible prior to the transfer to a Trust or any other option. There was a four year reduction to the book fund made in 2014, £150k came from the book fund in the current year and a further £150k would be taken out next year.
- b) The income referred to was in relation to Registration and the amount of income was unknown as the number of ceremonies was not known each year but was based on the last 3 to 4 years when there had been a consistent level of income.
- c) Mr Tilson agreed to forward the formula calculations on the Community Services section of the Budget 2015/16 to Members.
- d) Mr Tilson agreed to circulate in detail how the savings were going to be delivered on the Gypsy and Travellers budget.
- e) Mrs Cooper advised that from an economic development point of view the key capital projects were the transport projects which were important to unlock residential or commercial sites. There were also capital projects for "No Use Empty". This was an excellent initiative KCC had with the district councils which helped with the quality of life and perception of an area.
- f) The Rendezvous site was situated next to the Turner Contemporary Art Gallery and the Winter Gardens, Margate. KCC owned the land and was looking at options for building a hotel at that location. Mrs Cooper agreed to arrange a visit to Margate and suggested that the visit included the Dreamland site, Turner Contemporary and Margate town.
- g) Mr Tilson advised that there was no reduction in Road Safety but the way in which it was being funded had changed.

4. RESOLVED that:-

- a) the responses to questions by Members be noted;
- b) a Member visit to Margate be arranged as detailed in paragraph (d) above; and
- c) the Growth Economic Development and Communities Cabinet Committee noted the draft budget 2015/16 and MTFP 2015/18 (including the responses to the consultation and government announcements) prior to them being considered by Cabinet on 28 January and the County Council on 12 February 2015.

59. Update on Regional Growth Fund Programmes

(Item B2)

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

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

1. The Cabinet Member, Mr Dance, introduced the report and gave a brief history of the RGF programmes.

2. The Regional Growth Fund Programme Manager, Mrs Ward, advised that some of the figures in the report had changed since the report was published as this was an ongoing process and spoke on how the funding was issued to companies and the monitoring procedures.

3. Mr Dance, Mrs Cooper and Mrs Ward noted comments and responded to questions by Members as follows:

- a) Mrs Ward advised that her Team was working on the format of a loan book which would simplify the information regarding the companies, with headings on; the allocation of the funding; deadlines; and RAG ratings. This information in its simplified format would be ready for the next quarterly report.
- b) Mrs Ward explained that RGF was given out in tranches and repayments were made by the company in monthly instalments. Companies were sometimes allowed to have repayment holidays.
- c) A comment was made that this was a tremendous initiative and had been well received but there were concerns whether we were rigorous enough with the awards as the percentage of those companies within the red status of the RAG rating was high. Mrs Ward referred to page 57 of the report regarding the actions taken on the number of companies marked Red in the RAG rating.
- d) Mrs Cooper referred Members to page 56 which explained that there were two loan repayment periods per financial year from September 2014 to March 2015. As of 30 September 2014 the received amount represented an achievement rate of 99.61% of the expected total. The remaining funds for the current financial year 2014/15 would be received in March 2015.
- e) Mr Dance assured Members that the three RGF programmes would be carried out with due diligence.
- f) Members noted that a further report would be submitted to this Cabinet Committee on the milestones after March 2015.

4. RESOLVED that:-

- a) the comments and the responses to questions by Members be noted; and
- b) the progress to date in delivering the three Regional Growth Funds Programmes; Expansion East Kent, Tiger and Escalate and a quarterly report be submitted to a meeting after March 2015 be noted.

60. Rail Capacity in Kent to support Economic Growth

(Item B3)

(Report by Mr D Brazier, Cabinet Member for Environment and Transport and Ms B Cooper Corporate Director for Growth, Environment and Transport)

(Mr P Crick, Director of Environment, Transport and Enforcement, and Mr Stephen Gasche, Principal Transport Planner – Rail, were also present for this item)

1. The Director of Environment, Transport and Enforcement, Mr Crick, and the Principal Transport Planner – Rail, Mr Gasche, introduced the report on the work undertaken through the Rail Action Plan for Kent and negotiations with the Department for Transport, the office of Rail Regulation and Southeastern Railway and Govia Thameslink Railway to enable a significant increase in rail capacity in Kent.

2. The Chairman outlined the concerns; he had received by letter, from a member of the public, Mr J Baker, regarding the lack of car parking and taxi spaces at the Canterbury West Station. Mr Gasche advised that he was aware of the issues and aware that there had been some improvements made at Canterbury West Station by Southeastern Railway that owned the station car park and Canterbury City Council that ran the adjacent car park but they had reached the limit of available space short of decking, which was an option that had been carried out at other stations. One of the problems of High Speed was the demand for car parking exceeded the capacity at the stations. Further discussions would be held with Southeastern Railway and Canterbury City Council but there was not much more KCC could do.

3. Mr Crick and Mr Gasche noted comments and responded to questions by Members which included the following:

- a) Mr Crick advised that he would take up the issue of trains arriving at Teynham, Sittingbourne and Newington with four carriages rather than eight with Southeastern Railway.
- b) Mr Crick advised that he was aware of the possibility of Peel Ports, Sheerness, using the rail head at Sheerness for freight movements and this was encouraged.
- c) Mr Crick noted the comments regarding car parking in Canterbury. He advised that KCC was promoting Thanet Parkway Station, a new station between Minster and Ramsgate, which would help, further east of the County, with car parking and have an indirect benefit to Canterbury.
- d) Mr Gasche noted the comment made regarding Canterbury City Council's Strategic Plan stating that over 400 car parking places were being withdrawn which would add to the issues of lack of car parking spaces.
- e) Mr Gasche advised that the journey time from Thanet Parkway to London Stratford would be approximately one hour which would rely on the journey time improvement scheme and other improvements scheme.

- f) Mr Gasche acknowledged that there had been some issues at Kings Cross and Paddington Station with routine engineering work. The track record with network rail planned engineering work had been very good in terms of being on time. The Southern part of London Bridge was delivered on time.
 - g) Members congratulated officers for the work undertaken to increase the rail capacity in Kent.
 - h) Mr Crick explained that he was aware that Westenhanger and Sandling Stations were not being served by the High Speed Rail Network and would not be. Where services were not served by High Speed, KCC met with the train operating companies, Network Rail and the Department of Transport on a quarterly basis to encourage them to improve the service to stations served by the classic rail network. Mr Gasche advised that Kent raised this issue with the Department of Transport and they costed the proposal Kent put to them of one train per hour from Victoria Station via Maidstone East Station and for this service to be extended to at least Folkestone Central or Dover Priory stations, which would deliver two trains per hour and the response to this was that it was not viable with the criteria they used. Mr Gasche considered that a possible option for the future would be if Sandling Station became a stop, but this would slow the High Speed service down by two minutes from Dover to Folkestone but this would be a controversial option.
 - i) Congratulations were given to Mr Gasche on negotiating the return of the Maidstone East City service. Mr Crick thanked Members for their comments and advised that the Rail Action Plan which was adopted by Members in April 2011 gave Kent a firm platform to be able to influence decision makers in London.
 - j) Mr Gasche advised that the Maidstone West Station to Gatwick Airport was a short lived service as the benefit case of this service verses the cost ratio was unviable and was not going to be accepted by the Department for Transport. The only viable way to get to Gatwick from Maidstone was from the Maidstone East Station to Victoria Station then boarding the express service to Gatwick.
 - k) A comment was made that it seemed that travelling through Kent was more important than travelling in Kent and that this was where the economy would improve Kent. Mr Gasche advised that the timetabling was a balance of people wanting to get as far as possible as quickly as possible and those that want to travel within Kent and that it was a matter of getting the right balance.
 - l) Mr Gasche advised that work was being undertaken to improve train journey times in North Kent but if railway stations were to be withdrawn from the routes there would be complaints.
 - m) Mr Gasche welcomed the reinstatement of the Sheerness rail service to Victoria Station.
 - n) Members noted that a Rail Summit was due to be held on 18 May which Members would be invited to.
4. RESOLVED that the responses to questions by Members and the report be noted.

61. Local Growth Fund: Governance and oversight arrangements

(Item B4)

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

1. The Economic Strategy and Policy Manager, Mr Gill, introduced a report that sets out proposed arrangements for receipt, governance and oversight of the Local Growth Fund allocation which included the establishment of a Joint Committee for South East LEP area. It was proposed Kent County Council shall be a constituent authority for both.

2. Mr Gill advised that it had been a challenge with the Local Growth Fund especially in Round 2 as the timescales were very short and because of this was not possible to bring the bids to the Cabinet Committee as they fell outside the Committee's meeting cycle. In the future there should be a longer perspective on the bidding rounds to allow this to happen.

3. A suggestion was made that meetings should be rearranged if necessary so that information can be submitted to the Cabinet Committee in a timely manner.

4. A comment was made that committees supporting the new funds should be kept to a minimum.

5. RESOLVED that:-

a) the comments and responses to questions by Members be noted; and

b) subject to: i) receipt of a grant agreement from Government; and

ii) the agreement of terms of reference with the Government and with other relevant local authorities

the Growth, Economic Development and Communities Cabinet Committee recommended that the County Council determines that it shall become a constituent authority of a South East LEP Accountability Board and a Kent and Medway Joint Committee.

62. Work Programme 2015

(Item B5)

(Report by Mr P Sass, Head of Democratic Services)

1. The Chairman sought Members suggestions on future items for consideration at the agenda setting meetings.

2. Members suggested that the following be included in the work programme:

- A report on Registration and Archives – Members were advised that an additional meeting may be required between April and July to meet the deadlines.
 - Presentations from District Councils.
 - Visit to be arranged to the regeneration sites in Margate.
 - A report on Kent Life Science Network.
3. RESOLVED that the Work Programme for 2015 be agreed subject to the items listed in paragraph 2 above being included.

Chairman

14 April 2015