

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, 14 April 2015.

PRESENT: Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman), Mr A H T Bowles, Mr D L Brazier, Miss S J Carey, Mr B E Clark, Mr G Lymer, Mrs E D Rowbotham, Mr C Simkins and Mr A Terry (Substitute for Mr F McKenna)

ALSO PRESENT: Mr P B Carter, CBE, Mr M C Dance, Mr P M Hill, OBE and Mr R J Parry

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr D Smith (Director of Economic Development), Mrs K Stewart (Deputy Director of Economic Development), Mr R Fitzgerald (Performance Manager), Mr R Gill (Economic Policy and Strategy Manager), Mr S Samson (Trade Development Manager), Mr M Scrivener (Corporate Risk Manager), Ms J Ward (Regional Growth Fund Programme Manager), Mr J White (Capital Project Officer), Miss T A Grayell (Democratic Services Officer) and Mr A Saul (Democratic Services Officer)

UNRESTRICTED ITEMS

63. Membership
(Item A2)

It was NOTED that Mr D L Brazier had joined the Cabinet Committee in place of Mr M A C Balfour.

64. Apologies and Substitutes
(Item A3)

Apologies were received from Mr Baldock, Mr McKenna and Mr Truelove.

Mr A Terry was present as a substitute for Mr F McKenna.

65. Declarations of Interest by Members in items on the Agenda
(Item A4)

There were no declarations of interest.

66. Minutes of the meeting held on 22 January 2015
(Item A5)

RESOLVED that, subject to the amendment of the date in paragraph 1 of Minute 56, from 16 April to 8 April, the minutes of the meeting held on 22 January 2015 are correctly recorded and they be signed by the Chairman.

67. Extraordinary meeting - 20 May 2015
(Item A6)

It was NOTED that an extraordinary meeting of the Cabinet Committee would take place on 20 May 2015 to discuss the proposed new model for Kent Libraries.

68. Verbal updates
(Item A7)

1. The Cabinet Member for Community Services, Mr P M Hill, gave a verbal update on the following issues:-

Libraries Consultation – this had ended on 8 April

Turner Contemporary/Dreamland - £1 million of funding from the private sector had been invested in Turner Contemporary. The Turner Contemporary Trust was making good progress in raising its own funding and was involved in innovative collaborations with Maze and jazz music. This success would encourage other arts into the Margate area. Dreamland would re-open on 19 June 2015, for which tickets were currently selling well.

Local Government Association Culture Conference on 3 March – Mr Hill had spoken at this conference on the subject of cultural commissioning.

2. The Cabinet Member for Economic Development, Mr M C Dance, presented a short video about the launch of the World Nano Foundation.

3. RESOLVED that the verbal update and presentation be NOTED.

69. Presentation by Greenwich University
(Item A8)

Professor Alan Reed, Director of Regional Development, Kent and Medway, and Dr Martin Davies, Director, Greenwich Research and Enterprise, University of Greenwich, were present for this item at the invitation of the Cabinet Committee.

1. The Cabinet Member for Economic Development, Mr Dance, introduced Professor Reed and Dr Davies and explained that they had been invited to make a presentation as part of a programme in which Kent universities would brief the Cabinet Committee on their work in supporting the economic development of the county.

2. Professor Reed and Dr Davies presented a series of slides and responded to comments and questions from Members, as follows:-

- a) in response to a question about the shared aims of the university and economic development, Dr Davies explained that there was a shared agenda. Universities had been affected by the Government change to funding arrangements in 2010, so some bold thinking was needed now to develop higher education in Kent. The Leader, Mr P B Carter, added that the County Council could increase work with Kent universities by sharing networks and building on the common ground which already existed. Professor Reed would undertake to look into how the University of

Greenwich could work more closely with the County Council to develop its links with education, eg by encouraging more visits from schools; and

- b) Professor Reed supported a view expressed that technical training for disciplines such as engineering could be resurrected, as this would revive a process which had previously been successful.
3. RESOLVED that the information given in the presentation and in response to questions and comments be noted, with thanks, and the good basis which was in place for future work be welcomed.

70. Manston Airport Under Private Ownership: the story to date and future prospects
(Item A9)

1. The Leader of the County Council, Mr P B Carter, introduced the briefing paper and responded to comments and questions from Members, as follows:-

- a) a programme of charter flights from Manston to the USA, which had run briefly in 2007 before being discontinued, would have exposed the County Council to a financial risk, which would have had to be underwritten. The service was considered not to be viable and the risk to the County Council too great, such that the Council had withdrawn its investment after a short time. Mr D Smith undertook to check the cost of this to the County Council, but estimated that it had been in the region of £100,000;
- b) a visit by the Cabinet Committee to Discovery Park had emphasised the importance of the proximity of Manston to other areas with economic development potential and the role it could play in supporting these. Mr Carter referred to the history of shared optimism about the viability of the future of Manston airport as a private airport and added that he had been disappointed by the lack of interest shown in Manston by the aviation industry in the UK and Europe;
- c) in response to a question about the County Council's level of investment in the Discovery Park, Mr Carter said he expected that there would be very little investment available from the Regional Growth Fund as this was now almost fully subscribed. Mr Smith confirmed this and added that the County Council had offered to contribute funding if a partner could put forward a business case, but no such proposal had come forward. He added that the County Council had, however, invested in the Thanet Parkway station, which was adjacent to Manston airport and could serve both that and the Discovery Park. The County Council had offered to administer government funding via the Local Enterprise Partnership (LEP) and was now waiting for applications for funds to come forward; and
- d) asked about the County Council's confidence in the directors of the Discovery Park to achieve their aim to achieve 4,000 local jobs, Mr Carter said that he was aware of two companies which were planning to or were ready to relocate to the site, providing between 400 and 600 jobs, and hoped that further future plans would soon be revealed.

2. RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks.

71. Local Growth Fund - Governance arrangements

(Item B1)

1. Mr R Gill introduced the paper and explained that the County Council was responding to a recommendation contained within a recent review of governance for the South East Local Enterprise Partnership (LEP). This proposed the establishment of an accountability board, on the basis set out in the report, as the current governance arrangements were based on informal partnerships. Mr Carter added that the Kent and Medway Economic Partnership had stated its intention to apply to become a LEP for Kent and Medway, replacing the existing South East arrangements. Planning for and establishing governance arrangements had been fraught with difficulties, particularly in respect of the transport programme. Government funding would be spread over six years and would be dependent upon securing additional funding through developer contributions. In addition, the County Council was exposed to risk in respect of any overspend which might arise. It was therefore important that the County Council protect itself as far as possible by putting in place measures to ensure that its transport programme was delivered on time and on budget, and that regular reports were made to this Committee and to the Environment and Transport Cabinet Committee so progress could be monitored. Mr Carter also noted that the County Council had a proven track record of delivering several major transport schemes over the past 20 - 25 years.

2. Mr Carter, Mrs Cooper and Mr Gill responded to comments and questions from Members, as follows:-

- a) in response to a question about the background to the current informal arrangements and how these might change in the immediate future, following the General Election on 7 May, Mr Gill explained that, when the Government had launched LEPs in 2010, there had been no clear, prescribed guidance for their governance, and no supporting legislation. Most LEPs had therefore been set up as informal partnerships. However, as more Government funding had been channelled to local projects via LEPs, more robust governance was required, and only a few LEPs still retained purely informal arrangements. Mrs Cooper added that, as Kent had an extensive transport programme, it needed to be ready to move ahead promptly now as the first few transport schemes to be funded via the LEP were being considered by the Environment and Transport Cabinet Committee;
- b) in response to a comment that the LEP arrangements had been unworkable from the outset and that measures added to try to improve them had only added complexity, Mr Carter said that a Kent and Medway LEP could help to resolve this and would still be one of the largest LEPs in England. However, within the current LEP structure, the proposal within the report offered a workable solution;
- c) another speaker emphasised that the proposed Joint Committee would make an important contribution to devolution as it would support and strengthen local decision-making about local funding; and

d) Mr Gill clarified that the accountability board would be established and work alongside the LEP and would not replace it.

3. The Chairman proposed, and it was generally agreed, that regular update reports be made to this Committee to allow it to monitor the working of the new partnership arrangements.

4. RESOLVED that:-

a) the decision proposed to be taken by the Leader of the Council, to agree to the establishment of a Joint Committee together with East Sussex County Council, Essex County Council, Medway Council, Thurrock Council and Southend-on-Sea Borough Council, for the purposes of the management of the Local Growth Fund and other funds which may be directed by Government to the South East Local Enterprise Partnership, subject to the continuation of that Partnership, and subject to further consideration at County Council on 21 May, be endorsed; and

b) regular update reports be made to this Committee to allow it to monitor the working of the new partnership arrangements.

72. Southborough Hub (Item B2)

1. The Cabinet Member for Community Services, Mr M Hill, introduced the report and set out briefly the background to the current proposal, which was being supported jointly by Southborough Town Council, Tunbridge Wells Borough Council and Kent County Council. Mr White added that the Memorandum of Understanding, included in the agenda papers, was due to be signed by participating Councils very shortly. He clarified that the Project Board set up to develop the proposal included one elected Member from each of the three Councils, including Mr Hill for the County Council. Upon completion, the freehold ownership of the hub would transfer to the Town Council and the library would be leased to the County Council on a long term peppercorn lease. The County Council would retain ownership of the football pavilion and would sell off the old library site. In response to a question, he explained that the medical centre was not part of the hub but rather would be part of the enabling development and would help to attract additional footfall to the area.

2. The Cabinet Member and officers were congratulated on putting together and bringing forward a very complex development project, which had met with the general support of the Committee.

3. RESOLVED that the decision proposed to be taken by the Cabinet Member for Community Services, to support the delivery of the community hub in Southborough by agreeing to incorporate the library service within the project, and to support the nomination of the Cabinet Member for Community Services within the Memorandum of Understanding as the designated representative to vote on all such necessary matters, be endorsed.

73. Growth Environment and Transport Directorate Business Plan (2015/16)

(Item C1)

1. Mrs Cooper introduced the Business Plan and explained that it was 'owned' by the Cabinet Members for Economic Development, Community Services and Environment and Transport. The Business Plan had built on the Strategic Priority Statements drafted last year and, in turn, would help shape the Committee's forward plan of work. The case studies included in the plan reflected the interest expressed by Members in previous discussions. In response to a question about how engagement with universities could support the economic development of the county, Mrs Cooper explained that this could be added to the chart setting out strategic and supporting outcomes included in the report.
2. The Chairman, Mr Hill and Mr Dance commented that the plan was clear and easy to read, and gave a good overview of, and strategic support to, the business of the Directorate. Mr Dance commented that economic development was evident throughout the document as it covered the whole scope of the Directorate, and that he was keen to see the next level of detail of performance targets.
3. RESOLVED that the draft Directorate Business Plan be welcomed and that it be noted that the final plan would be published online in May 2015.

74. European Union funding Programmes 2014-20 - Kent projects and schedule of Calls

(Item C2)

Mrs K Stewart, Deputy Director of Economic Development, and Mr S Samson, Trade Development Manager, were in attendance for this item.

1. Mrs Stewart and Mr S Samson introduced the report and responded to comments and questions from Members, as follows:-
 - a) in response to a question about co-ordinating with district councils and other bodies, Mrs Stewart and Mr Samson explained that the County Council worked with its existing partnership network to identify projects for funding. The team was working to extend its networks and offer support, not only across County Council Directorates but to partners, in generating leads for further projects. Mrs Stewart offered to advise one speaker outside the meeting about a specific example of partnership working;
 - b) Mr Dance agreed with a view expressed that the County Council should be pro-active in finding partners with whom to work, and explained that the links it had made with the University of Greenwich were an example of this;
 - c) Mrs Stewart explained that, although bidding for European funding was complex, there was a strong fit between the Europe 2020 Strategy and the County Council's strategy for growth, and hence a real opportunity for the Council to consider European investment to help deliver the County Council's core priorities. Mr Samson added that the Council would seek to

support partners in navigating the complexities of any bidding process as far as possible; and

d) the Chairman added that economic development officers could help other County Council Directorates to explore European funding for a range of project priorities.

2. RESOLVED that the progress of the Economic Development Division in identifying projects and developing bids which reflect the County Council's priorities be noted and welcomed.

75. Regional Growth Fund Programme and Framework for Monitoring Report
(Item C3)

1. Ms J Ward introduced the report and responded to comments and questions from Members, as follows:-

a) the report was welcomed as a useful and valuable measure of current progress on delivery and performance. The format of the report provided information on the totality of the funding portfolio, and the level of monitoring returns and values. It also contained the totality of repayments to date against targets; and

b) it was suggested that future reports set challenging performance targets for each risk indicator. Mr Carter added that the County Council was very stringent in applying ratings and reporting any shortfall in performance but it was equally important to understand the reasons for a monitoring return being rated as red; it could be simply that no return had been completed for that quarter.

2. RESOLVED that the information set out in the report, and given in response to questions, be noted, and the framework for future reports be agreed.

76. Work Programme 2015
(Item C4)

1. The Chairman referred to a comment made earlier in the meeting about the placing of presentation items relative to other business on the agenda, so all business received appropriate attention. He undertook to consider this at future agenda settings when the running order of business was being discussed.

2. RESOLVED that the Cabinet Committee's work programme for 2015/16 be agreed.

77. Performance Dashboard
(Item D1)

1. Mr R Fitzgerald introduced the report and highlighted the large number of items showing performance rated green. He emphasised that Kent's rate of economic growth was relatively strong when compared to the national rate. He responded to comments and questions from Members, as follows:-

- a) data on the performance of new projects in the Regional Growth Fund, mentioned in previous reports, would be added to the dashboard as soon as it became available, quarterly, and more detailed reports on the progress of these projects would be prepared for this committee. Mr Smith added that the three current Regional Growth Fund projects were almost 100% on target and that targets would shortly be set for the next phases of these projects.

2. RESOLVED that the information set out in the report, and given in response to comments and questions, be noted.

78. Risk Management - Strategic Risk Register
(Item D2)

RESOLVED that the information set out in the report be noted.

79. Information on a Key Decision
(Item E1)

RESOLVED that the information set out in the report, about an urgent key decision taken by the Leader of the County Council on 16 February 2015, to award a loan of £1,021,000 to an applicant, be noted.