

KENT COUNTY COUNCIL

ECONOMIC DEVELOPMENT CABINET COMMITTEE

MINUTES of a meeting of the Economic Development Cabinet Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Friday, 20 September 2013.

PRESENT: Mr M A Wickham (Chairman), Mr M A C Balfour, Mr R H Bird, Mr H Birkby (Substitute for Mr R A Latchford, OBE), Miss S J Carey, Mr S Holden, Mr T A Maddison (Substitute for Mrs E D Rowbotham), Mr C Simkins, Mrs P A V Stockell (Substitute for Mr A H T Bowles) and Mr R Truelove

ALSO PRESENT: Mr M C Dance

IN ATTENDANCE: Ms B Cooper (Director of Economic Development), Mr R Gill (Economic Policy and Strategy Manager), Horton (Strategic Housing Advisor), Mr D Shipton (Head of Financial Strategy), Ms J Ward (Senior Partnership Officer) and Mrs C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

13. Declarations of Members' Interest relating to items on today's Agenda (Item A3)

None

14. Date of next meeting (Item A4)

RESOLVED that the next meeting of the Cabinet Committee had been rescheduled for Tuesday, 3 December 2013 at 10.00 am and the meeting scheduled for Thursday, 7 November be deleted.

15. Minutes of the meeting held on 14 June 2013 (Item A5)

RESOLVED that the Minutes of the meeting held on 14 June 2013 were correctly recorded and that they be signed by the Chairman.

16. Verbal Update by Cabinet Member for Economic Development (Item A6)

1. The Cabinet Member for Economic Development, Mr Dance, gave his verbal update and highlighted the following:

- Business Advisory Board - Members of the Board [which includes representatives from Legal and Rural y, car dealerships, Ferry Company] had reported that they were seeing positive growth in the market place with an increase in orders although, some were now experiencing issues with

material supplies and labour, particularly in the construction sector Ms Cooper added that the members of the Business Advisory Board had all said that the market was the best they had seen year on year since 2007.

- TIGER – Financial support that been awarded to support job creation.
- Expansion East Kent – An event to mark 50 companies receiving RGF was being planned.
- “Grow for It” campaign – A Life Science conference and further London events were to take place. Members noted that Ashford Borough Council were to consider being included in the campaign.
- NEETs – For Young people Not in Employment, Education or Training innovative ways were being looked at to address this issue in areas of East Kent and Ashford

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

- a) The Education, Learning and Skills and Economic Development Directorates were working closely and with Kent schools and Further Education providers to remedy the issues of the appropriate skills base for the businesses in Kent.
- b) Representatives from businesses are encouraged to attend schools to talk about entering the work place and the many roles that make up their business
- c) Mr Dance advised that a Hospitality Guild was being developed with Shepard Neame which would have recognised qualifications whilst allowing movement of employees within the hospitality sector around the County.
- d) There was work to be carried out on whether Careers advice was good throughout Kent and how many pupils were told about the range of occupations present in the county.
- e) Mr Dance agreed to speak with the Dover District Council and the Ferry companies regarding concerns raised about the Ferry companies recruitment.

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

17. PRESENTATION: East Malling Research by Ross Newham, Head of Communications, EMR

(Item A7)

1. The Chairman welcomed the Head of Communications, East Malling Research (EMR), Mr Newham, to the meeting and invited him to give his presentation.

2. Mr Newham gave his presentation using overheads appended to these Minutes and highlighted the following points:

- The challenge was to produce as much food between 2000 and 2050 AD as was produced between 1500 and 2000AD.
- The production of food had to be achieved with a shortage of labour and no extra land available to double the output of energy and fertilisers and a limited water supply.

- The crops produced had risen from 6-7 tonnes per hectares to 8-10 tonnes hectares.
- EMR had received £160 million investment by the government.
- EMR was invited to apply for a Programme Grant (ISPG) for improving the resilience of perennial cropping systems. This was in Partnership with the University of Reading.
- EMR were addressing their requirements and needs by adopting new technologies, attracting international interest and creating employment for 15 additional staff.

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

- a) Mr Newham advised that some patents for new varieties of fruit were well established and were certificated. This had been achieved through both commercial and public funding.
- b) A commercial division was going to be established at EMR.
- c) Mr Newham advised that land use policy did not fall in the scope of EMR but did say that the production of more crops would have to be sustainable and would be achieved through innovation.
- d) Business spin offs would be developed by the new EMR commercial division.
- e) Mr Newham considered that rather than being resistant, farmers had a history of trying new products and working with supermarkets etc and were always trying to do things differently.
- f) Mr Newham stated that there were no genetically modified (GM) crops grown in the European Union. However, he advised that modified cotton clothes etc were being worn in this country and EMR used the technology in the laboratory for testing. There were no aims to produce GM crops in this country as consumers in the UK and EU were not ready for this. The benefits for GM food may not be as strong in Europe as they may be for other parts of the world.
- g) The Chairman advised that “set aside” was usually in low yielding cropping areas.
- h) The limit on production from land was due to how much sunlight there was. There were many things that could be carried out including a reduction of waste through storage. A reduction in gluts [more even distribution] throughout the year.
- i) Mr Newham explained that funding was not received directly from DEFRA as the funding went directly to the Technology Strategy Board (TSB) and EMR receive some funding from the TSB. Meetings were held by EMR with DEFRA to discuss issues such as long term storage facilities and continued development.
- j) Mr Newham confirmed that there was interest from China in EMR producing fruit crops but help was needed from central government in bring those to fruition.

4. The Cabinet Committee was invited to visit East Malling Research.

5. RESOLVED that:

- a) the responses to comments and questions by Members; and

- b) the information in the presentation and the invitation to visit EMR be noted with thanks.

18. Decision Number: 13/000070 - Escalate: Decision to enter into Regional Growth Fund grant agreement

(Item B1)

(Report by Ms B Cooper, Director of Economic Development)

(Mr R Gill, Economic Strategy and Policy Manager was present for this item)

1. The Economic Strategy and Policy Manager, Ross Gill, introduced the report which informed Members of the successful application to the Regional Growth Fund and the government award of £5.5 million to Kent County Council to deliver the Escalate programme and sets out the aims and objectives and proposed arrangements for the programme management and governance.

2. Mr Gill noted the comments made by Members and responded to questions which included:

- a) Congratulations were extended to Ross Gill for all his work on the successful bid.
- b) This is an excellent opportunity for businesses in West Kent.

3. RESOLVED that:-

- a) the responses to comments and questions by Member be noted; and
- b) the Economic Development Cabinet Committee endorses the decision to be taken by the Cabinet Member for Regeneration and Economic Development:
 - i. to decide that KCC shall act as the accountable body for Escalate;
 - ii. accept the Government's offer of Regional Growth Fund grant in respect of the Escalate project, subject to the approval of the terms of the draft grant agreement by the Director of Economic Development in consultation with the Cabinet Member for Regeneration and Economic Development; and
 - iii. Delegate authority to the Director of Economic Development to sign on behalf of the County Council the final Grant Offer Letter.

19. Regeneration and Economic Development Portfolio Financial Monitoring 2013/14

(Item C1)

(Report by Mr M Dance, Cabinet Member for Economic Development and Mr D Cockburn, Corporate Director Business Strategy and Support)

1. The Cabinet Committee considered a report on the first quarter's full budget monitoring report for 2013/14 reported to Cabinet on 16 September.
2. RESOLVED that the revenue and capital forecast variances from budget for 2013/14 for the Regeneration and Economic Development Portfolio based on the first quarter's full monitoring to Cabinet be noted.

20. 2012-13 Business Plan Full Monitor Report

(Item C2)

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

1. Ms Cooper introduced a report requested at the last meeting of this Cabinet Committee. The report gave an overview of performance against each business activity in the Economic Development and Spatial Unit 201/13 Business Plan, highlighting the key achievements and outstanding issues, many of which had been developed further during 2013/14.
2. Ms Cooper explained that the red status for the Kent and Medway Investment Fund reflected the decision not to pursue the Fund as it had not been of an appropriate scale and it held too much risk. Alternative funding sources were being explored.
3. RESOLVED that the responses to comments and questions by Members and the information set out in the report and Performance Review appended to the report be noted.

21. Performance Dashboard

(Item C3)

(Report by Mr D Cockburn, Corporate Director of Business Strategy and Support)

1. Ms Cooper introduced the report that gave an update on the performance to date against key performance targets in the 2013/14 Economic Development Spatial Business Plan. The report did not include the jobs created by Locate in Kent and Produced in Kent as a new process was being set up to ensure that each job was counted once in instances where there was multiagency involvement.
2. Ms Cooper predicted that the first quarter jobs created would be a higher figure than 285.
3. RESOLVED that the report be noted.

22. Medium Term Financial Outlook

(Item D1)

(Report by Mr A Wood Corporate Director of Finance and Procurement)

(Mr D Shipton, Head of financial Strategy, was present for this item)

1. Mr Shipton introduced the report on the latest funding projection for the next four years and the implication for KCC's financial planning and included information on

the three key government consultations launched over the summer and the likely timetable for setting the 2014/15 Budget and Medium Term Financial Plan. He explained that a full consultation report would be submitted to the December cycle of Cabinet Committee meetings and then a report on the results of the consultation to the January meetings.

2. RESOLVED that the potential implication on future funding settlements and the council's Budget /Medium Term Financial Plan and the likely timetable for setting the 2014/15 budget be noted.

23. Kent Local Authority Mortgage Scheme (LAMS) and Help to Buy

(Item D2)

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

(Mr B Horton, Strategic Housing Adviser, was present for this item)

1. Mr Horton introduced the report which set out the priorities of the Kent LAMS which was set up to help first time buyers to buy second hand homes and would compliment the new governments Help to Buy scheme.

2. Mr Horton responded to comments and questions by Members which included the following:

- Mr Horton advised that the way in which the scheme worked it could not be limited to "Kent people" and this scheme could bring economically active people to Kent.
- Members noted that Lloyds TSB would continue as a provider of capital finance until the full details of the new product was known in January 2014.

3. RESOLVED that:-

- a) the responses to comments and questions by Members be noted; and
- b) the progress made on the implementation of the Kent Local Authority Mortgage Scheme and update on the government's Help to Buy Scheme be noted.

24. Strategic Economic Plans for Future Funding for Growth

(Item D3)

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

(Mr Ross Gill, Economic Strategy and Policy Manager, was present for this item)

1. The Economic Strategy and Policy Manager, Mr Gill gave a presentation, using overheads, appended to these Minutes. The presentation covered: 1. Where we are currently in revising *Unlocking the Potential* as the Economic Growth Strategy for Kent and Medway; 2. Progress in preparing a Strategic Economic Plan for the whole Local Enterprise Partnership area covering Kent, Essex, and East Sussex and

ensuring consistency between this document and *Unlocking the Potential*; and 3. The sources of the additional funding that was anticipated coming forward in the next couple of years linked with these plans.

2. Mr Gill and Ms Cooper responded to comments and questions by Members which included the following:

- a) The Strategy was very clear and should be supported.
- b) Mr Gill considered that more could be done with Kent MPs especially on the agenda item "Assisted Areas Designation" as there was a role for Kent MPs in lobbying their constituencies.
- c) Although the Single Local Growth Fund had been referred to as unringfenced, it was likely that in practice, there would be restrictions on its use. In addition, Mr Gill considered that the use of the New Homes Bonus funding that had been incorporated into the Single Local Growth Fund could be an item of discussion for the new Kent and Medway Economic Partnership.
- d) Ms Cooper advised that the Business Advisory Board, at its last meeting, discussed the membership of the Kent and Medway Economic Partnership (the name of which has yet to be agreed). It was agreed that as the district councils nominated their 6 representatives, the businesses through the Business Advisory Board would nominate their 11 representatives. The Local Authorities would not determine nominations from either the business sectors or district councils.
- e) Future update reports would be submitted to this Cabinet Committee

3. RESOLVED that the responses to comments and questions by Members and regular updates be submitted to this Cabinet Committee be noted.

25. Assisted Areas Review

(Item D4)

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

(Mr R Gill, Economic Strategy and Policy Manager, was present for this item)

1. The Economic Strategy and Policy Manager, Mr Gill, introduced a report that outlined the current value of Assisted Area designation to Kent; explained the consultation process and outlined KCC's proposed response.

2. Mr Gill advised that only a limited number of places were designated as Assisted Areas, and the map, was to be reviewed every 7 years. The Government had launched the first phase of consultation on the new map for the period 2014-20.

3. KCC was working closely with Thanet and Dover to retain their Assisted Area designation and it was also proposed that part of Medway and Swale could secure additional designation.

4. Mr Gill noted comments and responded to questions by Members which included the following:

- a) Mr Gill explained that there were areas which would be difficult to build a case for as any proposed Assisted Area needed to have a contiguous population of 100,000, meet a number of needs-based criteria based on unemployment levels out of work benefit claimants and manufacturing employment and provide evidence of local opportunity, such as employment sites and funding schemes which could take advantage of Assisted Area designation; and
- b) Suggestions were put forward on the case for support for the proposed Paramount development at Swanscombe and links with the wider development of Thanet (including Dreamland and other leisure and tourism developments).

5. RESOLVED that:-

- a) the responses to comments and questions by Members and the report be noted; and
- b) the Economic Development Cabinet Committee endorses the efforts being made to retain Assisted Area designation in Thanet and Dover with additional designation in Medway and Swale, and that this be reflected in KCC's consultation response.

26. Verbal Update by Director of Economic Development

(Item D5)

1. Ms Cooper gave her verbal update highlighting the following points:

- A £1.3m bid to the Heritage Lottery Fund had been successful to help improve buildings in the Old Town of Folkestone, Kent.
- Following a presentation by the Leader to the Parliamentary Under Secretary of State at the Department for Communities, Mr Bandon Lewis MP, KCC and its partners in the Thames Gateway had been asked to identify a stimulus package to unlock growth.

2. RESOLVED that the information given in the verbal update be noted with thanks.

27. Expansion East Kent Update

(Item D6)

(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 a report on the Expansive East Kent programme that opened in 2012. The programme offered 0% loans to SMEs wanting to start up or expand their businesses in Canterbury, Dover, Shepway and Thanet. The programme had a target of creating and safeguarding 5,000 jobs and had the opportunity to offer grant and equity investment in exceptional circumstances to businesses.

2. Mrs Ward advised that 137 applications had been approved and were awaiting full approval.
3. The Cabinet Member for Economic Development congratulated Mrs Ward and her Team for all the work carried out on this project.
4. Members noted that the next visits would be held on Thursday, 10 October 2013, Thursday, 14 November 2013 and Wednesday, 4 December 2013.
5. RESOLVED that the responses to comments and questions by Members and the dates of future visits be noted.