

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 Tuesday, 3 December 2013.

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

UNRESTRICTED ITEMS

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

No declarations of interest were received.

29. Future Meetings Dates 2014 *(Item A4)*

RESOLVED that the future Economic Development Cabinet Committee 2014 meeting dates be agreed as follows:

Thursday, 23 January	Tuesday, 16 September
Tuesday, 15 April	Tuesday, 2 December
Tuesday, 8 July	

(All meeting will commence at 10.00 am)

30. Minutes of the meeting held on 20 September 2013 *(Item A5)*

RESOLVED that the Minutes of the meeting held on 20 September 2013 were correctly recorded and that they be signed by the Chairman.

31. 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:
 - That the launch of 'Fibre boxes' in the County was planned for Densole for later in December.
2. He made no further updates as any other matters on which he might wish to comment were covered elsewhere on the agenda.
3. It was RESOLVED that the information given in the verbal update be noted.

32. PRESENTATION: "Plan Bee" by Mr Sean Holden, Vice Chairman of EDCC
(Item A7)

1. Mr Holden gave his presentation and highlighted the following points:
 - That the number of bees had reduced significantly in recent years.
 - That bees were of vital importance to the Kent economy, the value of bee pollinated products was extremely high and would be cost intensive for humans to produce.
 - Work was being undertaken to increase bee numbers, including working with partner organisations to increase bee friendly plants within parks, gardens and other open spaces.
2. The Committee saw an interview conducted with the Lord de Mauley, Bees Minister, and footage of the recent Bee Conference which Mr Holden had attended.

[The full presentation is available to view on line here http://www.kent.public-i.tv/core/portal/webcast_interactive/119162/start_time/233000]

3. In response to comments made and questions raised, the Committee heard the following further information from Mr Holden:
 - That the idea of engaging with rail and track companies in order to increase bee friendly planting by the railway would be pursued, as would coast line planting as undertaken in east Sussex
 - That farmers in the county were being encouraged to participate in the work to reduce bee starvation through a county wide co-operative. Grant funding had not been identified for those farmers taking part.
 - That although Bees were at risk from other dangers such as disease and the use of particular pesticides, the work to date in Kent had focussed on starvation as the problem that might be most easily resolved.
 - That there was no evidence to suggest that taking honey from bees and replacing with a sugar substitute created less healthy bees.
4. Mr Holden thanked members for their helpful suggestions and comments.
5. It was RESOLVED that the responses to comments and questions by Members and the information given in the presentation be noted with thanks.

33. Decision No: 13/00080 - Procurement of an organisation to deliver Visitor Economy Services for the Kent County Council Area
(Item B1 – Report by Mr M Dance, Cabinet Member for Economic Development and Mr D Cockburn, Corporate Director, Business, Strategy and Support)

(Mr W Gough, Economic Development Manager, was present for this item)

1. The Economic Development Manager, Mr Gough, introduced the report that detailed the procurement process that had been followed and outlined the requirements that KCC had asked bidders to meet when submitting their proposals.
2. Mr Gough responded to comments and questions by Members which included the following:

- That ten organisations had initially registered an interest in securing the contract.
- That Visit Kent currently employ 20 members of staff, and that KCC has a team of 3.5fetes, who work on tourism, and work very closely with Visit Kent.
- That the diversity questionnaire that accompanies tender specifications such as this one was a standard document provided by Procurement at KCC and intended to ensure compliance with various legislative requirements. Mr Gough would feedback members concerns that the document was unnecessary and overly detailed.

3. Comments were received from members of the Committee regarding the benefits and disbenefits of outsourcing such projects. Mr Gough confirmed that bringing services 'in house' for delivery was not considered to be best value at this time.

4. In addition members expressed concern that further information was not available regarding the preferred bidder or the number of bids received. The Committee received advice regarding the relevance of the information before it and the further opportunity that would be available to all members to comment when the proposed decision were published.

5. Ms Cooper reported that she and Mr Dance had taken every necessary step to ensure that no conflict of interest might occur in relation to the award of contract, in particular both had withdrawn from the Board meetings of both Visit Kent and Locate in Kent when the procurement exercise/tenders were being discussed.

6. It was RESOLVED that:-

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

and

b) the proposed decision to be taken by the Cabinet Member for Economic Development to award the contract for Inward Investment Services for Kent County Council Areas be endorsed.

34. Decision No: 13/00079 - Procurement of an organisation to deliver Inward Investment Services for Kent County Council Area

(Item B2 – Report by Mr M Dance, Cabinet Member for Economic Development and Mr D Cockburn, Corporate Director, Business, Strategy and Support)

(Mr W Gough, Economic Development Manager, was present for this item)

1. The Economic Development Manager, Mr Gough, introduced the report that detailed the procurement process that had been followed and outlined the requirements that KCC had asked bidders to meet when submitting their proposals.

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

- That the procurement of inward investment services was likely to be delayed into the New Year and after the Visitor economy contract had been awarded.

- That the current Chief Executive of Locate in Kent plus one further member of staff were employed by KCC, and as such were seconded to Locate in Kent Ltd, and that they would TUPE across to the organisation that was successful in winning the tender.
 - That it was not considered to provide best value for KCC to being the services 'in house'.
3. Mr Dance confirmed that, as stated in tender specification, there was no intention for Members of the Council to be part of any ambassadorial trips.
4. It was RESOLVED that:-
- a) the responses to comments and questions by Members be noted;
- and
- b) the proposed decision to be taken by the Cabinet Member for Economic Development to award the contract for Inward Investment Services for Kent County Council Areas as detail in appendix A to the report, be endorsed.

35. 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)

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

1. Mrs Hansen introduced the report on the second quarter's full budget monitoring report for 2013/14 reported to Cabinet on 2 December 2013. In particular she drew the attention of members to the information

- That the regeneration portfolio was on target at this point and that this provided good evidence that the end of year budget would also be on target.
- In relation to the Capital budget some expected re-phasing of projects had occurred but all were expected to deliver in the 3 year period.

2. It was RESOLVED that the revenue and capital forecast and variances from the budget for 2013/14 for the Regeneration and Economic Development Portfolio based on the second quarter's full monitoring to Cabinet be noted.

36. Half-year Performance Dashboard and 2013/14 Business Plan Monitoring

(Item C2 – Mr M Dance, Cabinet Member for Economic Development and Ms B Cooper, Director, Economic Development)

1. Ms Cooper introduced the report to the Committee, in particular she drew attention to the following information contained therein:

- That the business plan focussed on two aspects, Business Support and site development.

- That the report contained information on a new initiative, Key Kent Companies, to identify the Key Companies present in Kent in order to identify gaps in the County Council's networks.
- A business Portal was being developed in order to signpost business advice and services.
- The report also provided an update on work conducted with Borough Councils regarding the introduction of CiL.

2. Following comments made and questions raised the Committee heard the following further information from Ms Cooper and Mr Dance:

- That a key theme of the business portal was to make sense and to signpost the support available to small businesses, to create a single pathway for advice. However it was not intended that KCC would deliver services except in certain circumstances such as the regional growth Fund.
- That the Eurokent planning application sale would be going to appeal; resubmitting the application would be considered should it be considered to be a more efficient route to securing the desired outcome.
- Marsh Million was a new fund, the first meeting took place only a week ago. The next step would be to appoint private sector representatives to the Board. It was envisaged however that some of the fund would be used to target connectivity and transport.
- Expansion East Kent was the first fund established by Kent County Council and important lessons were learned from that exercise. Officers were able to set up TIGER much more quickly and this would be the case for Marsh Million.

3. It was RESOLVED that the report be noted.

37. Budget 2014/15 and Medium Term Financial Plan 2014/17 Consultation

(Item D1 – Report by Mr M Dance, Cabinet Member for Economic Development and Mr A Wood, Corporate Director, Finance & Procurement)

(Mr D Shipton, Head of Financial Strategy and Mr M Burrows, Director of Communication and Engagement was present for this item)

1. Mr Shipton (Head of Financial Strategy) gave an update on three matters of interest from the Chancellor's Autumn Statement. The Chancellor had said that funds would not now be transferred from the New Homes Bonus grant into the Single Local Growth Fund; local government would not face any additional funding cuts in 2014/15 and 2015/16 above those already announced. He also said that it was likely that local government would be compensated for changes proposed to the business rates although the detailed information would not be available until the provisional settlement was received later in December.

2. Mr Shipton introduced the report and said the aim of the consultation was to engage with and better inform Kent residents and businesses of the financial challenges for the authority as a result of: reductions in funding from central government; additional demands on spending; and restrictions on the ability to raise council tax.

3. Mr Burrows and Mr Shipton gave a presentation about the consultation on the Budget 2014/15 and the Medium Term Financial Plan 2014/17.

4. Following comments made and questions raised the Committee received the following further information from officers:

- Although the response was relatively small in comparison to the population of Kent as a whole, officers were congratulated on the improvement made.
- That the consultation responses were one tool amongst others that would be used to aid elected members in their decision making.
- That it was possible for individuals to respond to the survey more than once, the stripping back of identifying questions was deliberate in order to encourage more responses. It was possible to monitor unique visits and the evidence suggested that most people had only filled out the survey once.
- That increasing council tax above the government threshold did not represent value for money as the council would be required to hold a referendum, which, in a year where there were no other elections in the County, would be prohibitively expensive.

5. It was RESOLVED that the consultation and engagement strategy/process as set out in the report be noted.

38. Unlocking the Potential/Strategic Economic Plan

(Item D2 – Report by Mr R Gill, Economic Strategy and Policy Manager)

1. The Economic Strategy and Policy Manager, Mr Gill, introduced the report which set out the progress and next steps toward finalising 'Unlocking the Potential' and the South East Local Enterprise Partnership's Strategic Economic Plan. The report also introduced '*Unlocking Potential – Maintaining Momentum: Prospective Priorities and Asks*' and outlined the proposed governance arrangements for Kent and Medway in context of the South East LEP. He highlighted the following information contained within the report:

- The Strategic Economic Plan was intended to achieve three aims:
 - To set out the overall strategic priorities for the area
 - To set out the freedoms that would be sought from central government in order to deliver those priorities
 - To set out the reasons that the priorities identified require government funding.
- Shared Intelligence was currently working on the SEP for the LEP
- UK national funding worth approx £2 billion would be available of which KCC was likely to pitch for £83 million. A large proportion of this funding was already within the local authority spending arena but was being repackaged for the purposes of the LEP
- In addition £65million of EU funding would become available, of which Kent would seek to secure approximately £10million.
- The three main themes of 'unlocking the potential' were 'Unlocking Places', 'Business for Growth' and 'People for Growth'
- That comments would be particularly welcomed in relation to the spatial element of the report and how funds would be distributed once secured.
- A draft would be prepared by the 19th December for submission by the LEP to Government, following that the final document would be completed by March 2014. Ongoing negotiations with Government would follow with a view to a growth deal being agreed in the summer with funding to flow from April 2015. .

- That the Kent and Medway Economic Partnership had now been established and the process, minutes and papers related to that meeting would be fully transparent.
2. In response to questions raised and comments made the committee heard the following further information from Mr Gill:
 - a) That the importance of the rural economy to the strategy had been raised on several occasions and had now been captured and would appear in the draft.
 - b) That members of the business community had been consulted on priorities, challenges and opportunities through a series of roundtable exercises and a business survey.
 3. It was RESOLVED that:
 - a) the responses to Members comments and questions be noted; and
 - b) the content of *Unlocking the Potential – Maintaining Momentum: Prospective Priorities and Asks* be endorsed subject to it reflecting comments received regarding the rural economy and skills for young people.

39. Members' Visits to East Kent Businesses

(Item D3 – Mr M Dance, Cabinet Member for Economic Development and Ms B Cooper, Director, Economic Development)

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

1. The Regional Growth Fund Programme Manager, Ms Ward, introduced a report that gave an update on every SME company that received RGF grant funding from the Department of Business, Innovation and Skills (BIS) in the East Kent area, some of which were visited by Members of the Economic Development Cabinet Committee in October, November and December.
2. Ms Ward made the following comments to the committee about the report and the visits undertaken:
 - That 53 companies had now been awarded loans.
 - That 13 companies had been visited to date spread around East Kent. Companies welcomed the elected member visits
 - Feedback from companies had focussed on three areas; Financing and issues with traditional bank loans; skilled worker recruitment and retention and the application process for loans from KCC.
3. Ms Ward responded to comments and questions by Members by providing the following additional information:

- a) That businesses were encouraged to approach the bank and the loan fund simultaneously thereby de-risking funding for banks.
- b) That firms were losing skilled workers to competitors in a highly competitive market
- c) That the loan to Viking Recruitment would not cause duplication of training carried out at Dover College, who were part of the overall proposal for the maritime academy. It was intended that the academy would train people in all areas of maritime service. Recruitment to jobs related to the establishment of the academy would be sourced from the local population. In addition those people coming to the academy to train would bring money into the local area.
- d) That it was not possible to comment on another company's recruitment model, but that it would be possible to monitor Viking recruitment as they have to report to KCC as a condition of the loan.
- e) In Canterbury, Giram UK Ltd had been awarded a loan and this would be the third research centre of its kind to open in the country and would create an additional 15 jobs, details would be sent to members.

4. Mr Dance reported for the committee on the background of the company that intended to provide the maritime training.

5. He also confirmed that he was happy to provide for members 12 month updates on loans given, additional jobs created and loan repayments made. As the fund is a recyclable scheme, the recycled element would be set aside for further rounds of the Expansion East Kent Scheme.

6. RESOLVED that the responses to comments and questions by Members be noted and the information in the report be noted.

40. Supporting Kent Businesses through Procurement

(Item D4 – Mr M Dance, Cabinet Member for Economic Development and Ms B Cooper, Director, Economic Development)

(Mr H Swan, Head of Procurement was present for this item)

1. The Head of Procurement, Mr Swan, introduced a report that highlighted the progress made by the County Council to date in supporting Kent businesses through procurement, and an update on the proposed future developments.

2. He referred in particular to the following:

- That three key targets existed:
 - Achieve value
 - Be risk aware
 - Support Kent Business
- All procurement exercises over £50,000 were subject to a detailed plan, one part of which was to establish that Kent businesses would be supported by the approach.
- The Kent Business Portal had been launched and was used by not only KCC but other Local Authorities and statutory bodies such as the Fire Authority.
- Regular meetings were held with Business partners and advice given on recruiting from within the local area.
- That targets of 60% for both tiers were being not only met but exceeded.

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

- a) the Kent portal is only advertised in Kent
- b) The approach to managing risk whilst balancing the requirements of the local community and the law.

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

41. Verbal Update by Director of Economic Development
(Item D5)

1. The Director of Economic Development, Ms Cooper, had no further update.