

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, 12 January 2016.

PRESENT: Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman), Mr A H T Bowles, Mr D L Brazier, Mrs P Brivio (Substitute for Mrs E D Rowbotham), Miss S J Carey, Mr B E Clark, Ms A Harrison (Substitute for Mr R Truelove), Mr J A Kite, MBE, Mr G Lymer, Mr F McKenna and Mrs Z Wiltshire (Substitute for Mr M Baldock)

ALSO PRESENT: Mr M C Dance, Mr P M Hill, OBE and Mr M A C Balfour

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), Ms S Holt (Head of Culture & Sport Group), Mr K Tilson (Finance Business Partner - Customer & Communities), Miss K Phillips (Strategic Business Adviser - GET), Mrs D Chilmaid (Business Manager), Mr K Day (Sports and Physical Activity Services Manager), Mr J Pearson (Service Improvement Programme Manager), Mr D Shipton (Head of Financial Strategy), Mr A Stephens (Head of Service, Libraries, Registration and Archives), Ms J Winkler, Mr D Hughes (Head of Business Engagement and Economic Development) and Ms C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

124. Apologies and Substitutes (Item A2)

1. Apologies for absence were received from Mr Baldock, Mrs Rowbotham, Mr Truelove and Mr Bowles.
2. Mrs Wiltshire attended as substitute for Mr Baldock, Ms Harrison attended as substitute for Mr Truelove and Mrs Stockell attended as substitute for Mr Bowles.

128. Presentation (Item A6)

1. The Assistant Director of Research and Enterprise, Mr Uwe Derksen, of University of Creative Arts (UCA) gave his presentation using overheads and highlighted the following:
 - The University of Creative Arts had campuses based in; Farnham, Epsom, Rochester and Canterbury with a total of 6500 students. The levels of study were; foundation undergraduate and postgraduate, the majority were undergraduates.

- The graduate employment rate was 91.9% within six months of graduation.
- The areas of employment had a relationship to the creative industry including; animation, architecture, interior design, fashion and film.
- The jobs were not all local and could be anywhere in the world.
- The University attracted EU funding for projects by focusing on regional and local programmes through commissioned art work and exhibitions eg the “Dove of Peace” at the Dover Harbour Board and providing backdrops for the Royal Opera House. The aim was to build on the legacy of those programmes.
- The University provided the right environment for students to have the ability to create portfolios in textiles, printing etc.
- The University had set up opportunities for students to network with local industry.

2. Mr Derksen responded to questions by Members as follows:

- a) Mr Derksen advised that the infrastructure of UCA was totally geared to deliver the academic programme and to change this for other enterprise would be huge as the University was not set up to operate a private business. The priority was the student market as all universities were in competition. There were limited resources and to make changes would need a lot of resource which would not be available.
- b) Mr Derksen explained that he was working on a paper that was looking at the difference to local authority intervention against philanthropic intervention.
- c) Mr Derksen said that one way that KCC could work with UCA to come up with a solution on how to support economic development in Kent was to provide incubation spaces in the University. The University could present a plan to KCC on how best it could be supported and for this to be sustained.
- d) Mr Derksen advised that the University had set up a technical /professional service to show off student talents in the past but this was a very slow process and had now been restructured. The barrier had been the internal structure of the University.
- e) Mr Derksen explained that each course had its own specific industry links to employers. Some were local and some were not eg Folkestone Triangle and Turner Contemporary, Margate. The University used to support industry networks which it participated in and also hosted. The issue for UCA was that each network had slight differences. There was a struggle to get industry both local and regional involved in these fora. He advised that there had been more creative people working in non-creative sectors seven years ago.

3. The Cabinet Committee thanked Mr Derksen for attending the meeting.

4. RESOLVED that the responses to questions by Members and the information given in Mr Derksen’s presentation be noted with thanks.

129. Proposed Redesign of the Mobile Library service
(Item B1)

1. The Cabinet Member, Mr Hill, introduced a report that asked the Cabinet Committee to endorse the proposal for the council to undertake a customer engagement exercise with mobile library customers on proposed route efficiencies service improvements and changes as detailed in appendix A of the report.

2. Mr Hill advised that the mobile library service had not been reviewed for a number of years and this review was timely as the LRA was faced with saving £1.3 million over the next three financial years. He explained that the report identified that there had been a reduction in users of this service over many years. The present arrangements were inconsistent. He assured the Cabinet Committee that the proposals looked to make the service more consistent and efficient with those affected still having ways to access to a library service.

3. The Head of Libraries, Registration and Archives, Mr Stephens, and the Service Improvement Programme Manager, Mr Pearson, gave a brief overview of the report highlighting that if the decision was implemented following the consultation the service would retain 80% of the current visits through the proposed stops. There would also be an annual review of the mobile library service. There were currently 11 mobiles covering 657 locations. Visitor numbers had dropped by 20% over the last three financial years. It was advised that of the 368 stops that received 2 or fewer users on average over the period October 14 - September 15 and it was proposed to withdraw those stops. Alternative ways to access a Library service for those affected would be offered eg Home Library service. It was also proposed to change the days of the service from the existing Monday to Friday service to Tuesday to Saturday, move to a fortnightly schedule of stops and increase the minimum stop time to half an hour. The customer engagement exercise was proposed to run from Friday, 22 January to Friday 4 March and users of the mobile library service would be contacted directly as well as the material being available on the KCC website and on the mobile libraries. The service would also be making district borough council aware as well as Parish and Town councils where there was an existing mobile stop. A full analysis of the engagement will be produced.

4. Mr Stephens and Mr Pearson responded to comments and questions as follows:

- a) Mr Stephens advised that the LRA would need to establish criteria for taking the service forward for the future, for example to incorporate new housing estates as they are being developed.
- b) Mr Stephens agreed to provide figures in future reports as well as percentages.
- c) Mr Stephens advised that there was a general decline nationally in the use of libraries and he was able to supply this data outside the meeting.
- d) Mr Stephens agreed to submit a comprehensive report on the future direction of Library, Registration and Archive services at a future meeting of this Cabinet Committee.
- e) Mr Pearson explained that the position of other authorities' library services across the country had been looked at and there had been different approaches. Many local authorities had taken the same view as KCC such as Derbyshire Wrochester and Suffolk Councils to review the service against selection criteria. Other local authorities had withdrawn the mobile library service such as Hampshire County Council which was currently consulting on such a proposal. Mr Pearson considered that in terms of use

of the service beyond books that the LRA was seeing an increase in loans of e-books and e-audio books and the use of the website but a lot of the Library service was used for browsing therefore the visitor was a critical figure. The mobile service was limited as it did not have IT connections.

- f) Mr Pearson explained that two of the mobile libraries carried new branding on the sides of the mobile promoting the mobile library service and the six ways to wellbeing campaign. These were established in conjunction with public health. He considered that branding could be looked at to refresh the fleet of mobile vehicles.
- g) Mr Pearson said that in terms of engaging schools with the mobile service, this was a community service and the stock of children's books in a mobile library was limited. The future library service offer to schools needed to be considered as these is a key audience
- h) A comment was made that the library services for the visually impaired was very good and this should be advertised.

5. RESOLVED that:-

- a) the responses to questions by Members be noted; and
- b) the Growth, Environment and Communities Cabinet Committee endorsed the decision to be taken by the Cabinet Member for Community Services to undertake a customer engagement exercise with mobile library customers on proposed route efficiencies service improvements and changes as detailed in appendix A of the report.

130. Budget 2016/17 and Medium Term Financial Plan 2016/19
(Item C1)

1. The Head of Financial Strategy, Mr Shipton, gave an overview of the Council's draft revenue and capital budgets and Medium Term Financial Plan. He stressed that this was going to be the most difficult budget KCC had faced. He highlighted some of the listed factors prior to the introduction report.

2. He explained that one of the biggest issues was that KCC did not receive the spending plans from central government until the spending review was announced on the 25th November. This meant KCC was not aware of the total financial envelope it was working within. KCC did not get its own individual settlement until 17 December 2015. The settlement received on 17 December included a significant redistribution of Revenue Support Grant that KCC had not been able to anticipate. Of that redistribution the net impact was a £15m reduction on Kent's budget that it could not have anticipated before that announcement. This meant the papers were published for this Cabinet Committee with an assumption that there was still £8m of that £15m to find which was included in the appendices of the report for this Cabinet Committee. Since the report was published the Draft Budget was published on 11 January, and in that draft another £4m of the £8m had been identified, so there was now £4m left unidentified. None of the extra £4m identified in the published draft budget affected services within the remit of this Cabinet Committee's portfolio; it was nearly all being taken from Financing Items. Mr Shipton stated that there was still a little bit of gap to close which he understood made scrutinising the Budget difficult. He advised that

there was not a complete Budget for Members to scrutinise as this was a very late change and was unexpected.

3. He went on to advise that the provisional settlement also included the spending power calculation. This measured Kent's change in funding both through Council Tax and through Government Grants. This took no account of the additional spending requirements Kent County Council was facing either through the effects of inflation or the effects of the rising population or the impact of increasing competitive need. He suggested that the Cabinet Committee looked at the spending power figure which was reproduced in the report but reminded Members that this was only the funding half and not the spending half. He concluded that there were real term reductions in KCC's funding and KCC was not able to raise enough through Council Tax to compensate for both the spending demands and the reductions in central government funding, and therefore there was a need to make substantial savings.

4. Mr Shipton advised that the revenue support grant for 2016/17 of £1111.4m, a reduction of £49.6m on 2015/16 actual grant £58.1m or 32% on adjusted 2015/16 RSG. The council tax would raise £33m leaving a shortfall of £25m. This could not be compared to the revenue support grant. The consultation on the settlement we are working on the presumption that there would be no change. KCC would make representation and would ask for a settlement as a one off as KCC did not consider this sufficient for KCC to set its budget.

5. The Finance Business Partner for Growth, Environment and Transport, Mr Tilson, gave a brief overview of the draft budget as it affected the Growth, Economic Development and Communities Cabinet Committee portfolio.

6. Mr Tilson highlighted the detail in the appendices to the report explaining that:

- Appendix 1 - Budget Summary
- Appendix 2 - GET Directorate's MTFP spending prices and savings proposals
- Appendix 3 - An A to Z of Service Analysis
- Appendix 4 - The Capital Investment Plans 2016/17 to 2018/19

7. Growth, Environment and Transport Directorate had to make £12m in savings across the next financial year, £2½m of which fell within the Growth, Environment and Transport Directorate, primarily within the Economic Development Division and some within the Environment and Planning Enforcement Division and Libraries, Registration and Archives.

8. Mr Tilson advised that when the Library, Registration and Archive (LRA) Trust was proposed there were savings anticipated of £1.3m, due to the decision not to proceed with the proposal at this time the service was still required to deliver the £1.3m savings through the internally commissioned service. Mr Tilson referred to page 61, Appendix 2 and the column that referred to LRA Highways then pages 62 and 63 that highlighted how the savings were to be delivered through staffing restructures and procurement savings for books and the ICT budget.

9. Mr Tilson advised that the savings had been delivered by Highways through budget realignment on drainage but there were no additional savings. It was a standstill budget.

10. RESOLVED that:-

(a) the response to a question by a Member be note and;

(b) the Growth, Economic Development and Communities Cabinet Committee noted the proposed draft Budget 2016/17 and Medium Term Financial Plan (MTFP) 2016/19 (including responses to consultation and Government announcements) that was due to be considered by Cabinet on 25 January 2016 and County Council on 11 February 2016.

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

Mr McKenna made a declaration of interest regarding Item C4 "Kent County council Response to the Department for Transport Report on the First Interim Evaluation of High Speed 1", as he was employed by Network Rail.

126. Minutes of the meeting held on 1 December 2015
(Item A4)

RESOLVED that the Minutes of the meeting held on 1 December 2015 were correctly recorded and that they be signed by the Chairman.

127. Verbal updates by Cabinet Members and Corporate Director
(Item A5)

There were no verbal updates.

131. Progress on Internally Commissioning Library, Registration and Archive Services
(Item C2)

1. The Cabinet Member for Community Services, Mr Hill, introduced the report that outlined the approach for internally commissioning Libraries, Registration and Archives (LRA) against outcomes which it was proposed commenced from 1 April 2016 and the issues yet to be resolved. He highlighted that £1.3m saving was still required. This saving was going to be achieved through internal commissioning although remain internal. A meeting was held with the Commission Board and it was concluded for this to work there had to be freedoms and flexibility develop.

2. The Head of Services, Libraries, Registration and Archives, Mr Stephens, advised that the proposal was for an internally commissioned LRA. The approach had been supported by the corporate team to ensure they align with the KCC

commissioning approach. The approach considered the necessary freedoms and also tested the principles of the LRA itself. He referred the Committee to page 87 of the report which set out a diagram of the commissioning cycle. The proposed service specification had been reviewed by the LRA service management team and the Commissioning Advisory Board. The commissioning approach would be reviewed annually and an annual report would be submitted to this Cabinet Committee.

3. Mr Hill, Mr Stephens and Mr Pearson responded to questions by Members as follows:

- a) Mr Hill advised that the primary legislation did not allow the Registration service element to be delivered through an external Trust, and this could take a long time. This proposal would ensure that the service was Trust ready.
- b) Mr Hill explained that there were to be discussions held with Human Resources and Property regarding the services to be offered in house.
- c) Mr Hill agreed with the suggestion for representatives from a user group or readers to be invited to sit on the Strategic Board.
- d) Mr Hill assured Members that Libraries would continue to be called Libraries and would not be changed to “information hubs”, he was determined to protect the library service and to improve the service.
- e) It was suggested that the Cabinet Member should not sit on the Strategic Board championing. There was a need for critical friends to be on the Board.
- f) A suggestion was made that there appeared to be a constraint on new collections in the Archives section this could be supported with representation from the University of Kent, Canterbury on the Strategic Board.
- g) Mr Stephens advised that there were 99 libraries in Kent where customers could register births and deaths in 98 of them.
- h) The use of the community space within libraries needed to be explored, as being entrepreneurial would be a cultural change.
- i) There was a Staff Engagement Group. Mr Stephens had been impressed in the way that staff had come forward with ideas, including cafes and pop up shops, to bring new users of the service. He concluded that there was a need to understand customers and non customers and how to engage them.

4. RESOLVED that:-

- a) the comments and responses to questions by Members be noted;
- b) the representation on the Strategic Board be expanded to include users or readers, critical friends and representation from the University of Kent as suggested by Members of the Cabinet Committee be agreed; and
- c) the Growth, Environment Development and Communities Cabinet Committee endorsed the service specification for LRA; the commissioning approach outlined in the report; and other issues associated with delivering the internal commissioned approach.

132. Cabinet Members' Priorities for Business Plans 2016/17

(Item C3)

1. The Strategic Business Adviser for Growth Environment and Transport, Ms Phillips, introduced a report on the Cabinet Members' priorities for 2016/17. Cabinet Members have identified their priorities early on in the business planning process so that they can be sufficiently reflected. The draft directorate business plan, will be submitted to the next meeting of this Cabinet Committee.
2. The Cabinet Member for Economic Development, Mr Dance, and the Cabinet Member for Community Services, Mr Hill, spoke on the bullet points under the "Economic Development" and "Community Services" respectively on page 124.
3. Mrs Cooper advised that the Growth Environment and Transport Directorate had led the way in identifying key commissioning activity in the 2015/16 business plan and are currently a mapping the directorate's commissioning activity for the next three years. This will be included in the directorate business plan to help Cabinet Committees and CAB plan their work plan accordingly.
4. RESOLVED that:-
 - (a) the response to a question by a Member be noted;
 - (b) the Cabinet Members' priorities for 2016/17 detailed in the report be noted; and
 - (c) the draft business plan for 2016/17 that fall under the remit of this Cabinet Committee portfolio be submitted to the March meeting be noted.

133. Kent County Council Response to the Department for Transport Report on the First Interim Evaluation of High Speed 1

(Item C4)

1. The Principal Transport Planner - Rail, Mr Gasche, introduced the report that sets out Kent County Council's response to the Department for Transport's First Interim Evaluation of High Speed1.
2. Mr Brazier considered that the HS1 chosen route suited all and had made an enormous difference; and had been adopted by the people of Kent. They were now able to travel to places they would not have considered before. He said that he had been happy to bear the premium fare of HS1. Mr Brazier commended the response to the Department for Transport's consultation.
3. The Chairman added that he considered that the HS1 was of enormous economic benefit to Kent.
4. Mr Gasche advised that there had been meetings to discuss the issues at Dover Priory.
5. RESOLVED that:-

- (a) the responses to questions by Members and the report be noted; and
- (b) the proposed service enhancements that Kent County Council would seek in its response to the Department for Transport's consultation on the new Southeastern franchise specification be endorsed.

134. Enterprise Zones in Kent and Medway
(Item C5)

1. The Economic Strategy and Policy Manager, Mr Gill, introduced a report on the new Enterprise Zone designation and sets out how it would complement Kent's existing Enterprise Zone at Discovery Park. Mr Gill advised that Kent had submitted an application for an Enterprise Zone in North Kent which was approved in November 2015 but there was uncertainty on what this meant. It was uncertain on how this impacted on new businesses tax but overall he considered this good news. This showed support from the government, although the financial support was minimal.
2. RESOLVED that the report be noted.

135. PE and School Sport in Kent'
(Item C6)

1. The Head of Countryside, Leisure and Sport, Miss Holt, introduced a report with an overview of the current position regarding PE and School Sport in the county and how it contributed to KCC's strategic outcomes. The report also described how the current Primary PE and Sport premium funding from the government was utilised by schools as they determine; and describes how inter school competitive sport was delivered, how talented athletes of school age were supported and other physical activity opportunities available to support young people in schools. Miss Holt agreed to forward the dates of the Kent School Games 2016 Finals to Members.
2. The Department for Culture, Media and Sport had published a new Sport Strategy headed "Sporting Future - a new strategy for an Active Nation".
3. The Cabinet Committee watched a film on Northdown Primary School, Margate and the "Primary School Sports Premium". <http://youtu.be/5yRIDhp1A4o>
4. Miss Holt, Mr Day and Mrs Winkler responded to questions by Members as follows:
 - a) Miss Holt advised that SEND children were integral to how the Sport and Physical Activity Service approaches any and all programmes. All programmes were fully inclusive. Mr Day added that whilst Special schools were also eligible to receive the Primary School PE and Sport Premium, this had not been specified in the report.
 - b) Mr Day advised that there was no measure of participation in sport in schools for young people. He said that the programme of the Kent School Games could be measured by the fact that there were now 8000 participants in the Finals compared to approximately 2000-3000 when the

games started. He advised that national participation figures produced were based on adults' participation which peaked in 2013 following the Olympic Games.

- c) Miss Holt and Mrs Winkler advised that the Kent School Games were held on the basis of winning and losing although there were Kent schools that had differing opinions about how to teach sport ie competitive versus fully participative. It was entirely a decision for the school. Northdown Primary School looked at "value" and the way students interacted with their peers and personal resilience was a large part of what pupils benefit from with PE being built into the national curriculum.
- d) Mrs Winkler advised that PE was taught inside schools and sport was taught outside school. She explained that sport was organised with rules and performance outcomes. Mrs Winkler considered that this appeared blurred with the government encouraging sports coaches to go into schools to deliver PE.
- e) Mr Day explained that the government had given funding directly to schools with an expectation that the school would produce a balanced programme. KCC did not have control over this delivery. Secondary, Primary and SEND schools participated in the Kent School Games and were competitive. The Secondary schools had trained specialist PE teachers and some schools had satellite clubs linked to those schools on site. The specialist PE teachers formed a curriculum that encouraged and engaged teenagers by broadening their curriculum. Miss Holt added that there were studies about the psychology on encouraging the least active children to participate in sport, and that these studies have proven the participative 'festival' element of sport works best for initial engagement.
- f) Miss Holt advised that the Sport and Physical Activity Service had managed to absorb the significant budget pressures to date by looking at staffing priorities and holding a service review on the operating model of the Service which sees one combined team of KCC staff and Sport England staff.

5. RESOLVED that the responses to questions by Members and the report; and the work jointly undertaken with partners to support PE and sport in schools be noted with thanks.

136. Locate in Kent

(Item C7)

1. The Head of Business Engagement and Economic Development, Mr Hughes, introduced a report that provided an update on the performance to date of the inward investment services contract with Locate in Kent (LIK). He then provided a verbal update on the outcomes of market engagement and the levels of interest from prospective suppliers.

2. The update was in two parts (i) Performance and (ii) Procurement for the new contract. LIK had over 200 new projects that had been identified in 2014/15. There were 290 companies in the pipeline of which 70% were UK based and 30% were foreign direct investment projects mainly near Europe countries and North America. In 2015 LIK successfully achieved 46 expansions/relocations in Kent. LIK recorded some 3,200 job outcomes for Kent, 58% of which were new jobs, 24% were

safeguarded jobs and the remainder were jobs that were directly created by suppliers.

3. In 2015/16 LIK had a pipeline of 300 companies attracting 120 new jobs. By the end of November 2015, LIK had reported 1,700 job outcomes, achieved 30 companies coming into Kent or expansions. LIK had a substantive property base used by prospective companies. Mr Hughes advised that localities for small businesses were difficult to find in Kent at present. There was a need to encourage developers to build suitable business space for small businesses. Mr Hughes referred Members to paragraph 2.8 of the report that identified some of the main issues identified by businesses supported by LIK's aftercare service.

4. Mr Hughes, Mr Dance and Mrs Cooper responded to questions by Members as follows:

- a) A comment was made that LIK should be given feedback saying "safeguarding and supply chain jobs".
- b) A suggestion was made that more comparative information was needed in order for Members to monitor LIK performance. Mr Hughes referred Members to paragraphs 2.2 and 2.3 of the report that gave comparisons.
- c) Mrs Cooper agreed to provide the information on data within future reports in a clear format.
- d) Mr Hughes explained that LIK worked with other organisations eg UK Trade and Industry and KCC and the cost of LIK created jobs was low.
- e) Mr Dance spoke on the lengths LIK had gone to to secure adequate working space for small companies. He stated that there was a lack of quality commercial buildings. Sourcing suitable commercial buildings for manufacturing was also an issue as it required larger spaces.
- f) It was agreed that a copy of an LIK management report be forwarded to Members.
- g) Members commended the transparency of LIK.

5. RESOLVED that:-

- (a) the responses to questions by Members and the report be noted; and
- (b) a more detailed performance report be submitted to a future meeting

137. Work Programme 2016
(Item C8)

RESOLVED that the proposed work programme for 2016 be noted.