

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, 3 March 2016.

PRESENT: Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman), Mr M Baldock, Mr A H T Bowles, Mr D L Brazier, Miss S J Carey, Mr B E Clark, Mrs P T Cole (Substitute for Mr G Lymer), 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, Mr M Wright and Mr P De Wilde

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr R Gill (Economic Policy and Strategy Manager), Ms J Ward (Regional Growth Fund Programme Manager), Mr R Fitzgerald (Performance Manager), Miss K Phillips (Strategic Business Adviser - GET), Mr R Moys (Head of International Affairs), Mr J Ratcliffe (Principal Transport Planner - Strategy), Mr M Scrivener (Corporate Risk Manager) and Ms C A Singh (Democratic Services Officer)

UNRESTRICTED ITEMS

138. Apologies and Substitutes

(Item A2)

Apologies for absence were received from Mr Lymer. Mrs Cole attended as substitute.

139. Declarations of Interest by Members in items on the Agenda

(Item A3)

No declarations of interest were received.

140. Minutes of the meeting held on 12 January 2016

(Item A4)

RESOLVED that the Minutes of the meeting held on Tuesday, 12 January 2016 were correctly recorded, subject to Mrs Stockell being included as present as substitute for Mr Bowles and were signed by the Chairman.

141. Verbal updates by Cabinet Members and Corporate Director

(Item A5)

1. The Cabinet Member for Environment and Transport, Mr Balfour, and the Cabinet Member for Community Services Mr Hill gave their verbal updates on issues since the last meeting of this Cabinet Committee.

2. Mr Hill and the Director of Turner Contemporary, Ms Victoria Pomery, attended the LGA Annual Cultural, Tourism and Sports Conference to present a Case Study on Turner Contemporary as a cultural and regeneration project. A report on the economic impact of the Turner Contemporary would be submitted to the May meeting of this Cabinet Committee.

3. The Mobile Library Service Review consultation would conclude on 4 March 2016. There had been over 1000 responses received and generally those responses understood the rationale of the review of the Service. Mr Hill advised that he did not want to delay the implementation of the next stage of the review as this would be costly. Mr Hill advised that he would take the decision in mid-April 2016 before the next meeting of the Cabinet Committee in May. He would therefore follow the procedures set out in the Constitution for taking a decision outside the meeting cycle. There were no comments made by Members present.

4. Mr Dance spoke on business growth and infrastructure in the County. There were concerns regarding the timing of the government's major projects improving the infrastructure in Kent, mainly by Highways England. The issues had been raised with the relevant Minister.

5. Mr Dance advised that he was not aware if works on Junction 5 on the M2, Stockbury roundabout, were to commence in 2019. This was also a concern as this links to Eurolink - the largest industrial estate in the County.

6. RESOLVED that the information given in the verbal updates be noted.

142. PRESENTATION

(Item A6)

1. The Enterprise Manager, Mr Marcus Wright, and the Pro Chancellor for Research and Innovation, Mr Phillippe De Wilde, from the University of Kent were welcomed to the meeting by the Chairman and Members.

2. Mr Wright advised that the University of Kent had:

- 20,000 students
- 3500 staff
- £250 million income per year

3. The University of Kent offered a wide range of subjects from the History of Art to Engineering. Students who graduated from the University had a good employability record to date as they gained transferable skills whilst on their courses. The University's vision was for the students to have a fifty year career ahead of them and was keen that what it offered to the students allowed them to perform well and evolve over the fifty year period.

4. The 3,500 staff [not all full time] supported the local economy and influenced the leisure facilities on offer and shops provided in the town. Mr Wilde considered that the retired staff also contributed to the economy as many remained in the local area. Some staff lived in London and commuted to Kent.

5. Mr Wilde explained how the £250m income per year was spent. The student fees were £9,000 per year and they expect high student to teacher ratio which was costly. Members of staff were recruited at an international level and the university had to have competitive salaries and pension funds etc. Mr Wright considered that the universities income was well spent. He added that the university did not have the resources to set up a Venture Capital Fund.

6. Mr Wright gave brief biographical details of his career to date advising that he was from Belgium and his studies were Computer science. He was appointed by the University of Kent in 2014.

7. Mr Wright and Mr De Wilde responded to questions by Members as follows:

a) Mr Wright explained that the living accommodation was rented during the undergraduate student's holidays. The University facilities were also hired for conferences although it made little profit from this.

b) Mr Wright made the following comments:

- There were no plans to have a large engineering school at the University
- He explained that the university course were market driven eg if there was a need for more doctors the University would offer more courses in medicine.
- The University was student focused.
- It was hoped that students would remain in Kent when they completed their studies.
- Property prices and transport prices and efficiency were a consideration for where people decided to work.
- The University ethos was that we have a free market opportunities, skills/innovation.
- Mr Wright advised that it was his role to research innovation by talking to representatives including companies, charities, museums and health and social services.

c) Mr Wright considered that it was a free market where people chose where they wanted to work and it was not the University's focus to fill the skill gaps for local employers in Kent. He said that he had read the report headed "Working together with Kent Universities: Scoping report" to be discussed later on the Committee's agenda and considered that what was proposed in the report made sense. Mr Wright explained that the University spent £1m of its budget per year on working with staff and students to be entrepreneurial. This was to cultivate the right attitude towards risk taking.

d) Mr Wright agreed that there was a lot to do in the field of Information Technology (IT) which was relatively cheap to set up. The University was looking to set up cyber security courses and there was a need to understand psychology behind computer crime.

e) Mr Wright explained that the government determines the courses and the numbers of student places and these were not in the gift of the University to steer. Therefore if the government limits the number of psychology students and expands engineering the University would provide the courses. The courses were also driven by student demand.

- f) Mr De Wilde advised that the Kent Enterprise Hub on the University campus was an inherited space and although it served a purpose it was insular. This had now been rebranded as the Innovation Centre. Mr Wide said that the Discovery Park was on his radar.
 - g) Mr Wilde said that he would welcome business people to the university campus including SMEs to discuss how they could work together. He said that although the University did things that had a varying degree of risk, setting up a Venture Capital Fund would be too high risk.
 - h) He concluded that the courses on Arts and psychology would be sustained.
8. RESOLVED that the information given by Mr Wright and Mr De Wilde in the presentation be noted with thanks

143. South East Business Boost

(Item B1)

1. The Economic Strategy and Policy Manager, Mr Gill, introduced a report that explained the SEBB programme and sets out KCC's role and sought the support of the Cabinet Committee to accept Kent's share of the European Regional Development Fund grant allocation for £1.2 million over three years, should it be approved. This will fund a business support programme in Kent and Medway.
2. Mr Gill highlighted that as part of the proposal for the European Regional Development funding (ERDF), KCC had agreed to contribute £8,580 in kind match funding to the project. The project contains a business grant fund: this would be managed by Southend Council.
3. Mr Gill gave the following responses to questions by Members:
 - a) Mr Gill explained that the Kent and Medway Growth Hub signposted businesses to available business support, focusing primarily on small and medium-sized enterprises (SMEs). The South East Business Boost project will supplement this by offering business advisory and support services.
 - b) Successful applications for the ERDF funding are likely to be notified in early May. If the application was not approved KCC would not receive the supplementary ERDF money.
4. RESOLVED that:-
 - (a) the responses to questions by Members be noted; and
 - (b) the Cabinet Committee endorsed the proposed decision to be taken by the Cabinet Member for Economic Development to accept grant funding of up to £1.2 million revenue to deliver the South East Business Boost Programme; and to delegate to the Director of Economic Development the authority to sign a grant offer letter as required on behalf of KCC.

144. European Funding Update

(Item C1)

1. The Head of International Affairs, Mr Moys, introduced a report on the outcomes from the opening calls for EU-funded projects in support of economic

development, growth and jobs, particularly under the South East LEP 'ESIF' programme.

2. Mr Moys highlighted the following:

- a) There were delays in approving the Euro plans 2014-20. The projects were launched in 2015; the first results were now being received. There were successes for KCC and Kent eg under the South East LEP European Programme two major projects had been secured; "Inward Investment Kent" project (£1.8 million) aimed at retaining and attracting investment into the science sector and LOCASE project (£2.5 million) to help businesses to shift to a low carbon economy.
- b) KCC Interreg bids had been approved; SME Internationalisation Exchange (SEI) project (£415,000) aimed at facilitating trade links for Kent firms and "PASSAGE" project (£213,000) for reducing carbon in maritime regions.
- c) Kent would have secured over £45 million in EU funding grant by the end of the first quarter of 2016.
- d) Mr Moys concluded that the new programmes were demanding higher quality bids and would have to demonstrate that the outputs such as growth and jobs would be achieved. KCC provides guidance on how preparing bids.

3. Mrs Cooper commended the achievements of Mr Moys and his Team in securing the European funding and supporting the delivery of KCC's core strategic objectives with the funding.

4. Mr Moys noted comments and responded to questions by Members as follows:

- a) Mr Moys advised that Leader funding now covered the whole of the County.
- b) Mr Moys advised that questions had been asked regarding the implications of the UK leaving the European Union. There was no firm legal answer but regarding the programmes the general view was the agreements were contracts and therefore would expect to continue their course through to 2020.
- c) Kent SMEs, through the SME Internationalisation Exchange project, were given the opportunity to speak to potential buyers in Europe. There were firm figures that showed that they had increased their turn over in exports to France, Belgium and Holland.
- d) Mr Moys confirmed that KCC's objectives were aligned with European Commission and European Union including; innovation, supporting SMEs, moving to a low carbon economy, education and training.
- e) A comment was made that improving productivity and GVA could also be added to our objectives.
- f) There were ten successful stage one bids by micro and SMEs and eight of those were from Kent. Mr Moys felt this success was due to the links with the LEADER programme.

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

145. Working together with Kent's Universities: Scoping report
(Item C2)

1. The Economic Strategy and Policy Manager, Mr Gill, introduced a report that aimed to identify how KCC and the higher education sector could work together to support economic growth. Mr Gill highlighted opportunities to explore including the sharing of data, sectors, supporting the businesses in Discovery Park. Furthermore, KCC as a public service could support the universities' purchasing power. He suggested that a meeting be held with the four Universities in Kent to take this forward. He sought Members views.

2. Mr Gill noting comments and responded to questions from Members as follows:

- a) Comments were made that KCC needed to forge a stronger link with the four Universities in Kent and that it was not always important what was studied but the skills acquired whilst studying such as analytical skills and time management . There was a need for highly skilled people in the work place.
- b) A suggestion was made that this topic could put forward as a potential Select Committee
- c) A suggestion was made that Officers look at an article in the LGA publication that had an overview of City Deals case studies that brought together Councils and Universities.
- d) A comment was made that Universities needed to engage with the southern areas of the county.

3. RESOLVED that:-

- (a) the comments and the responses to questions by Members and the report be noted; and
- (b) a further report be submitted to the next meeting of the Cabinet Committee outlining a strategic approach to KCC-University engagement.

146. Proposed Response to the Highways England Consultation on proposed route options for a new Lower Thames Crossing
(Item C3)

1. The Director of Environment, Planning and Enforcement, Mrs Stewart, introduced a report that outlined a proposed draft response to the Lower Thames Crossing (LTC) route options launched by Highways England (HE) on 24 January 2016.

2. Mrs Stewart highlighted that the report would also be considered by the Environment and Transport Cabinet Committee at its meeting on 11 March and the final version of the response would be submitted to Cabinet on 21 March for approval to meet the HE deadline on 24 March 2016. She advised that there had been engagement with the local councils directly affected by the proposed routes into Kent including Gravesham Borough Council and Medway Council.

3. The report focused on Option C which built on the previous response to the consultation by the Department for Transport (DfT) in 2013 when KCC highlighted the economic growth and transport benefits and the greater network reliance of the creation of a new strategic route from Dover to the Midlands and the North. Concerns had been raised within the response regarding the dropping of C variant and the need for measures to mitigate local and environmental impact as well as the need for compensation scheme for local residents and businesses.

4. The Transport Strategy Manager, Mr Ratcliffe, described the proposed route options set out in the consultation. He advised that Option C was HE's preferred option and within that option there were three potential routes through Essex with two possible alignments in Kent. HE preferred option was to the Eastern Southern Link. This was an entirely new route that had not been considered. In the 2013 consultation HE's proposed alignment ran through Shorne village, Shorn Woods and connected to Junction 1 of the M2. This route had been changed to skirt round the edge of Shorne and then connect into Junction 1 of the M2. KCC's response in 2013 argued strongly against that initial alignment by DfT and put forward an alternative Link which was now being described as the Western Southern Link. This provides a connection into the Gravesend East junction, skirting round the Eastern edge of Gravesend, between Thong and the eastern side of Gravesend and then a bored tunnel just south of the Lower Higham Road. There was a new proposed junction on the A226. KCC's proposed response to the consultation would continue with its support for the Western Southern Link option within Option C subject to some further modifications of the junction design put forward. Mr Ratcliffe stressed that the detailed design had not been produced and those in the consultation were purely illustrative. The detailed designs would be produced after the Secretary of State had chosen a preferred route. KCC would not be supporting the proposed junction at the A226 because strategic traffic should remain on the strategic road network.

5. Mrs Stewart and Mr Ratcliffe noted comments and responded to questions by Members as follows:-

- a) The Cabinet Member for Economic Development, Mr Dance commented on the economics of the County and the predicted 10% increase in freight traffic year on year through the Channel Tunnel and the Port of Dover. He stated that Option C was the preferred option that offered choice.
- b) The Local Member for Gravesham Rural, Mr Sweetland, thanked the Chairman for being allowed to speak at the meeting. He advised that he did not support Option C. He was speaking on behalf of the 16,500 electorate in his area of which 63% voted for the current administration and felt let down. Mr Sweetland had received a petition from the Villages of Shorne, Cobham, Higham and Chalk with nearly 3500 signatures. This had triggered the opportunity for the petitioners' views to be heard at the next Environment and Transport Cabinet Committee on 11 March. He also raised the following points:
 - The outcome of this item at the Cabinet Committees was a fait accompli.
 - Kent did need growth but considered that there would be no growth but there would be gridlock.
 - There needed to be an assurance that the option chosen by the Secretary of State this was scrutinised to avoid gridlock.

- One area that KCC was keen to promote in 2013 was Option C variance.
 - How would the predicted increased traffic in ten years' time travel to another crossing built at East of Gravesham.
 - The HE consultation did not address a case for upgrading existing roads such as Bluebell Hill or the A249 or the A227 which were routes used by existing traffic that were already congested.
 - There would be a need for an interchange for traffic to get to the M2 and A2 which had not been mentioned in the consultation. KCC had previously addressed this in its response in 2013.
 - The issues of air pollution had been observed over the years at Dartford. Gravesham did not want the same issues in the area.
 - The reference to additional housing growth was not included in Gravesham's Local Plan and this should be addressed with Gravesham Borough Council.
 - The HE Consultation had been poorly handled. Firstly, only Option C was going to be consulted on, then Option A was added. The Consultation was leaked a week early which cause confusion; and only 10% of the supporting documentation was made available.
 - The Chairman and Mrs Cooper advised that KCC's response did address the issues of the Option C Variant in paragraph 3.9 page 54 of the report.
- c) A comment was made that a status quo was not an Option. This was about Kent, South East England and the UK economy and support should be given to the proposed response.
- d) Comments were made that the criticisms outlined on page 81, section 9 of the report of HE's handling of the consultation; and the issue of compensation was in Appendix C, page 81 under paragraph 8.6 of the report were welcomed.
- e) Support was given to the suggestions for further improvements to the existing road network.
- f) A comment was made about the A226 and standing traffic would create air pollution that did not exist in the Shorne Country Park
- g) A Member expressed concern that the A229 and A249 were being considered as links between the A2 and M20.
Mrs Stewart advised that the response did refer to wider network improvements in Appendix C, page 78 paragraph 7.8. The DfT has advised that they would discuss the issues in the wider investment programmes.
- h) A Member commented that making a link to the A226 would be an unparalleled disaster as it would open up an alternative rat run route that everyone would try to use especially when there were issues on the main routes and the effects on the local communities would be disastrous.
- i) The options do not move the economic benefit to the Swale area but potentially moved some of the disbenefits to Swale.
- j) For the Kent economy Option C was the right option but from an environmental point of view it has to be questioned whether increased traffic can be diverted from the M20 onto the A2 M2 corridor whilst not guaranteeing improvements on that corridor..
- k) It was suggested that Option C was not a solution as it created a new exit for traffic leaving the A2. To keep the traffic flowing it would be preferable

to improve the existing roads and improve the existing junctions. It was suggested that HE retained Option A because; (i) it was the cheapest and most likely to happen in the short term; and (ii) once you were on the road and kept traffic moving was the best way to get to a destination.

l) Further comments were made as follows:

- that Option C was poorly thought out as most traffic would already be on the M25 and moving the traffic onto the A2/M2 corridor was not a solution as those roads would be unable to cope with the increase in traffic.
- KCC had set out a range of proposals but the conversations with DfT had not been reflected in the response.
- Members were being asked to respond to an option that would bring gridlock to the other side of the County.
- KCC should request further information regarding Option A, if this option was upgraded it was far more realistic.
- A comment was made that KCC was doing it all it could do to; protect local people and the environment.

6. RESOLVED that responses by Members be noted and the comments be considered by the drafting officers of the proposed response to the Highways England consultation on a proposed route for a new Lower Thames Crossing.

147. Growth, Environment & Transport Directorate Business Plan 2016-17

(Item C4)

1. The Corporate Director for Growth, Environment and Transport, Mrs Cooper, introduced a report that outlined the early draft Growth, Environment and Transport Directorate Business Plan for 2016-17 as set out in Appendix 1 of the report which would be used to help shape and inform the final version of the Directorate Business Plan to be published on line in April 2016. Mrs Cooper highlighted key sections of the draft, including the priorities for the whole of Growth, Environment and Transport, a commissioning timetable to guide the Commissioning Advisory Board and Cabinet Committees going forward as to which commissions they would like to look at, a section listing internal and external services which indicates when internal services would be reviewed, and cross-cutting priorities. Members noted that the Performance Indicators were to be developed further for the final business plan.

2. Mrs Cooper outlined the key cross-cutting priorities:

- Implementing GET's Customer Service Programme
- Continuing GET's commissioning journey
- Progressing devolution and District Deals, with a focus on developing commissioning and strengthening our partnerships.
- Developing and implementing our countywide strategies such as the Growth and Infrastructure Framework, Kent Environment Strategy and Local Transport Plan 4.
- Embed the Prevent strategy within the directorate.

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

- a) Mrs Cooper agreed to take comments on the draft Business Plan outside of this meeting and agreed with Mr Bowles' request that Mrs Cooper and Mr Cockburn speak with the Chair and Vice Chair of the Commissioning Advisory Board about which commissioning activity to consider for its forward plan.
- b) Mrs Cooper advised that the directorate risks listed on page 113 of the report had remained at medium risk rating for most of this year, and that this is considered an acceptable level of risk given that to get them to green may be too costly or unobtainable.
- c) Some Members commented in favour of the new commissioning activity table on pages 96-100 of the report and some were finding it difficult to understand. Mrs Cooper advised that there had been a lot of discussion about ways to simplify the format. Mr Hill added that he felt this format reflected Cabinet Members' priorities better than before.

4. RESOLVED that:-

- (a) the comments and the responses to questions by Members and the report be noted; and
- (b) the directorate business plan would be published online in April 2016 be noted.

148. Work Programme 2016
(Item C5)

RESOLVED that the revised work programme for 2016 be noted.

149. Risk Management: Growth, Environment and Transport
(Item D1)

1. The Corporate Risk Manager, Mr Scrivener, introduced an annual report that contained strategic or cross cutting risks that potentially affect several functions across Growth, Environment and Transport directorate. There were currently six directorate risks featured on the GET risk register none of which were rated "High". The Corporate Director for Growth, Environment and Transport was also designated as the Lead for two corporate risks relating to CRR3 and CRR4.

2. Mrs Cooper explained that Property Services was procuring a single monitoring system for S106 and CiL agreements and payments, across all County Council Directorates.

3. RESOLVED that the directorate risk register and relevant corporate risks outlined in appendices 1 and 2 be noted.

150. RGF Programmes and Framework for Monitoring Report
(Item D2)

(Mr Bowles declared that he was a Board Member of the TIGER Fund Programme appointed outside KCC)

1. The Regional Growth Fund Programme Manager, Ms Ward, introduced a report that provided an update on the allocation of funds from the three schemes Expansion East Kent, Tiger and Escalate that provide funds for companies with investment plans that would lead to job creation in the format agreed by the Cabinet Committee. Ms Ward highlighted that Expansion East Kent had just closed and was no longer open to new applicants. The funding allocation would cease at the end of March 2016. In the report to the next meeting all three RGF programmes would include all the companies that Kent currently worked with in the monitoring cycle.
2. Ms Ward responded to questions by Members as follows:
 - a) Ms Ward advised that a comparison report had been produced to show if there are any trends. She advised that for this report no more companies had entered into bad debt. Some of the Red ratings were changing to Amber and the Greens were increasing, due primarily to officers being more robust now in ensuring returns are received.
 - b) Ms Ward explained that the companies coming into the report were largely Start Ups, some were equity investments and were higher risk. She considered that the mechanisms put around those companies as Start Ups would greatly increase their chances of success.
 - c) There was uncertainty on the percentage of safeguarding and jobs created overall. The overall figure was a job created or safeguarded. With regard to the reduction in the level of jobs there were two or three companies that had not created jobs but this was due to a delay and in the next six months they would be in place.
3. RESOLVED that the responses to questions by Members and the report be noted.

151. Performance Dashboard *(Item D3)*

1. The Business Intelligence Manager for Performance, Mr Fitzgerald, introduced the third report for this financial year report on the performance against targets for the Key Performance Indicators included in this year's Directorate Business Plans. He highlighted that the online contacts for the Libraries and Registration and Archives Service was behind target. The digital offer had been improved and more residents had taken that up but it appeared that the trend on this indicator was downwards following the national general trend on visits and book issue KCC was actively promoting the digital offer to see what can be done to improve those figures. The remaining performance indicators were reasonably good. He referred to the context indicators showing that Kent's employment was down from the national average. He explained that this was from a sample survey which was an estimate, and was not entirely consistent with the job seekers allowance but Kent was improving over time.
2. Mr Fitzgerald and Mrs Cooper responded to questions by Members as follows:
 - a) Mr Fitzgerald agreed to provide more information in the next report on why indicators were red to put it in context.
 - b) Members were advised that the new LRA service was to be launched in April. Mr Stephens and Mr Hill would be looking at every branch of library to see how the number of visits and online contacts could be increased.

Libraries had been given the challenge to understand the communities that they were servicing whilst not alienating existing users to find ways of increasing usage of the libraries.

- c) Mr Hill considered that the red indicators represented a tiny percentage and overall customer satisfaction was high at 98%.
 - d) The ceremonies indicated in the summary were wedding ceremonies.
 - e) A comment was made that the RAG system was useful and those indicators that were Red should be kept under review.
3. RESOLVED that the comments and responses to questions by Members and the report be noted.