

SB03-01

North Kent Enterprise Zone Strategic Board

Approved Minutes of the 2nd Meeting held on Tuesday 29th November 2016, Darwin Room, Innovation Centre Medway

Board Members Present

Paul Wookey (Interim Chair), LiK
David Liston-Jones, TGKP
Jennifer Hunt, Ebbsfleet DC (representing Paul Spooner)
David Smith, Kent CC
Cllr Rodney Chambers, Medway Council
Cllr Alan Jarrett, Medway Council
David Hughes, Gravesham BC
John Foster, Maidstone BC (representing William Cornall)
Suzanne Bennett, Essex CC (for SELEP, representing Adam Bryan)
Richard Longman, TGKP
Prof Alan Reed, University of Greenwich

Also attending

Richard Hicks, Medway Council
Abi Lewis, Maidstone BC

Apologies

Adam Bryan, SELEP
Paul Spooner, Ebbsfleet DC
William Cornall, Maidstone BC
Alex Hicken, DHA Planning

1. Welcome and Introductions

- 1.1. Paul W welcomed members and representatives, including Alan Reed as the new HEI representative taking over from Martin Davies.
- 1.2. Paul explained that he had agreed to continue as Interim Chair whilst the search continues for a permanent Chair. Initial approaches had been made to two potential candidates (Nick Fenton and Bernard Spring). The Board endorsed the suggestion of further discussions with Bernard in the first instance. **Action: Paul W to put Bernard Spring in touch with Richard L for follow-up conversation and briefing.**
- 1.3. Richard H proposed Cllr Chambers as Vice Chair of the Board, providing a strategic link with SELEP and KMEP in particular. This was seconded by David S and agreed unanimously.

2. Minutes of the last meeting (9 September, Paper SB02-01)

- 2.1. The minutes were agreed and there were no outstanding matters not on the agenda.
- 2.2. With reference to paragraph 2.3 (scheme updates), members encouraged continued lobbying e.g. via MPs in support of the LGF bids submitted for Rochester Airport Technology Park and M20/J7 improvements affecting Kent Medical Campus.
- 2.3. On 10.3, John F sought clarification as to how costs incurred by the Accountable Body might be shared. It was noted that once there is a clearer understanding of future budgetary demands, Maidstone's preferred approach was for pooled contributions from partners. MBC had had a preliminary discussion with Essex CC regarding the Accountable Body role: this would be followed up to cover more detailed points and to shape the arrangements in proportion to the tasks involved. **Action: Maidstone BC to arrange further meeting with Suzanne Bennett/Essex CC.**
- 2.4. Terms of reference (Paper SB02-02). The paper explained the amendments made to the draft Terms of Reference in response to comments at the last meeting. These were accepted subject to two points:

- Section 8 (Conflicts of Interest). It was recognised that most members around the table had some form of interest, e.g. in EZ sites. Declaration of interests would relate primarily to any personal or business interest where the deliberations of the Board might have a material bearing (e.g. selection of a contractor).
- Section 16 (Indemnity). Maidstone BC queried the scope of this provision. Decisions by this Board should rarely if ever expose the Accountable Body to risks requiring indemnity of members. Public sector colleagues should be covered by their own organisation's insurance. The Accountable Body should ensure that private sector members are covered by their own organisation's insurance and/or make arrangements for suitable indemnity insurance. **Action: Maidstone BC to investigate; Richard L to consider whether any re-drafting of 16.1 is required.**

3. Progress Report (Paper SB02-03)

- 3.1. The paper gave a broad summary of progress since the last meeting, including the submission to DCLG of the Memorandum of Understanding and draft Implementation Plan. The Board noted the appointment of Zest to develop the NKEZ branding and website. A branding workshop was being arranged as soon as possible to start the process. Suzanne B asked for SELEP branding to be included within the materials developed. **Action: Richard L to pursue.**
- 3.2. Cllr Jarrett asked for clarification about the calculation of business rate uplift. Richard L explained that where an Enterprise Zone is designated, the uplift in business rates generated on the site is, for a period of 25 years, retained in full by the local authority. Where a site already produces business rates, that figure is taken as the baseline above which rates are retained. These arrangements are ring-fenced, i.e. not affected by other changes to the business rates regime. Business rates below the baseline are effectively treated in the same way as any other site.
- 3.3. Scheme updates:
 - Ebbsfleet. EDC are still negotiating with HCA regarding the land price for Northfleet Riverside (Embankment) East. The joint venture between EDC and Gravesham BC has been agreed in principle at Full Council. Options for executing the final sign-off so as to keep the timetable on track are being investigated. Referring to the previous discussion (3.2) Jen H emphasised that the modelling for NRE was predicated on Gravesham BC retaining 100% of business rates uplift. EDC would be working closely with the landowners to bring forward detailing of the commercial element of Northfleet Riverside West once the planning application has been determined.
 - Kent Medical Campus. The outline planning consent is due for renewal. It is understood that the re-submission would be identical in terms to the current outline. There might be some negotiation to hone the focus, and Maidstone BC may request adjustments e.g. over building heights to reduce development impacts within the landscape. The uncertainty about LGF3 funding for highways improvements could have implications for the funding and phasing of those improvements and development-related s.106 triggers. There remains strong commercial interest in the site and MBC are having ongoing conversations with the South East Academic Health Science Network and Canterbury Christ Church University about opportunities on the site.
 - Rochester Airport Technology Park. The Council is maintaining pressure on Rochester Airport Ltd to complete the work necessary to submit their planning application so as to enable determination in March 2017. Market interest remains strong, based on informal approaches to date. The LGF3 outcome is critical for enabling the site preparation to proceed quickly.

4. Implementation Plan (Paper SB02-04)

4.1. Richard L's paper explained that the Implementation Plan was work in progress. The format and approach set out in the draft submitted to DCLG was not fixed, and could evolve if an alternative were more fit for purpose. He drew the Board's attention to sections 2, 8 and 11.

- Section 2 suggests aspects we might want to develop that define the EZ's reputation, e.g. quality and comprehensiveness of business support, green credentials. David H suggested that high environmental standards / green credentials would fit well with the ambitions for Ebbsfleet Garden City. David S commented on ingredients which had helped make Discovery Park successful: an equity loan fund as a catalyst to help start-up businesses get established; private sector leadership of management and operations, with the public sector giving strong support from behind; and allowing other professional services (e.g. lawyers, accountants) to be part of the business mix, enabling businesses within the cluster ready access to support services). The nature and duration of business support would need to be tailored to individual companies. The Board agreed it would be helpful to develop some propositions into a draft for comment. **Action: Richard L.**
- Section 8 includes a suggested template for developing a risks register, modelled on one used by EDC to report to DCLG. The Board agreed the basis approach would be helpful for monitoring but would, for Strategic Board purposes, need to focus on high level issues affecting NKEZ as a whole. More detailed risk analysis, monitoring and response would be needed at scheme level: it would be helpful for local delivery boards to use a consistent format for this.
- Section 11 relates to asks of Government, where intervention might help remove obstacles to delivery. Three asks had been included in the first draft. The first, relating to the valuation of Northfleet Riverside East, is under discussion (1st bullet of 3.3 above). The second sought prioritisation of LGF3 funding for the two NKEZ-related projects. On the third more generic ask – to strengthen the incentives available in EZs – DCLG have encouraged us to pursue this in the context of responding to the Government's consultation on its industrial strategy.

4.2. Scheme leads in particular were asked to flag up any other emerging obstacles to delivery: this could be pursued through the project group - **Action: Project Group.** John F mentioned the treatment of empty properties for business rates: the present rules were a disincentive to speculative development of SME space of the type proposed on EZ sites. There might be an ask around exemption of empty premises on enterprise zones from liability for business rates.

4.3. Alan R suggested conducting a poll with businesses interested in RATP, including ICM tenants, to see what would incentivise them. **Action: Richard H to follow up and share outcomes.**

4.4. David S suggested that the Implementation Plan should reflect conditionality around any asks, i.e. spelling out where Government needs to play its part in order that local partners can play theirs.

5. Application for commercial support (Paper SB02-05)

5.1. DCLG had invited bids for grant towards commercial support (e.g. property market advice) to help expedite delivery. There would be two bidding rounds: the current one and another next spring. NKEZ was putting in a bid for advice to inform decision-making on funding and financing options for speculative innovation centre developments at KMC and RATP, and for commercial market research to inform decisions on the development options at RATP. There was an expectation of match-funding. A near-final draft of the bid was circulated at the meeting.

5.2. The Board supported the submission of the bid. After discussion it was agreed that the wider investment in professional advice, including from the private sector, should be referenced to put the bids into context. The suggested match was £5000 from Maidstone, which John F confirmed,

and £10000 from Medway, which Richard H was asked to confirm along with other council spend on the masterplanning process. **Action: Richard H.**

5.3. Richard L would liaise with Suzanne B to finalise the bid and get it submitted on 30 November.
Action: Richard L and Suzanne B.

6. **Forthcoming meetings**

6.1. Paul W was asked about sector workshops to follow the meetings with Department of International Trade (DIT) earlier in the year. Paul advised that he was following up the idea of separate workshops with each NKEZ site, lining up DIT specialists in bio-tech/pharmaceuticals, medtech and advanced manufacturing. But changes in DIT personnel, re-structuring and re-positioning around the emerging industrial strategy were delaying getting something fixed up.
Action: Paul W to pursue and report back.

6.2. The establishment of the Locate in Kent marketing suite at Ebbsfleet could be used as a PR opportunity for the enterprise zone. There were wider efforts to try and get Gavin Barwell MP to visit Thames Gateway Kent, but it was recognised this would likely need to be tied in with something high-profile relating to housing delivery to anchor any visit.

6.3. It was agreed that we should look for dates in wb 23 January and wb 20 March for further meetings of the Board, moving onto a quarterly pattern thereafter. **Action: Richard L to canvass for dates.**

7. **AOB**

7.1. No other business, the meeting closed at 15.45.

6 December 2016