

## **Draft notes of the Kent Economic Board – 14 December 2011**

This special meeting to consider the business opportunities represented by the Thames Gateway and the DP World London Gateway terminal project was chaired by Graham Brown.

### **1. Welcome and introductions**

Graham welcomed members of the Thames Gateway Kent Partnership and the Business Advisory Board. A particularly warm welcome was also given to Rob Bennett and Xavier Woodward attending for presentation items on the Thames Gateway and the London Gateway Project respectively.

### **2. Notes of the previous meeting and matters arising**

Notes of the last KEB Board (September) meeting, together with that of the Business Advisory Board (November) had been circulated with the agenda.

#### **Matters Arising:**

##### **BDUK**

Kevin Lynes, KCC Cabinet Member for Regeneration and Enterprise gave a verbal update on the BDUK project. He confirmed that KCC had allocated £10M to match the £9.87M provided by the Government. KCC was now progressing work on how to deliver the project, and identifying the target areas. As part of this Kevin spoke about the "Vote for Better Broadband" project that would be launched in the New Year.

He asked members from this group to support the case for good high speed broadband by writing to government. Further details will be given in the New Year.

##### **The Vestas Sheerness Options**

Graham confirmed that Geoff Miles, on behalf of KEB Business Advisory Board wrote in October to Chris Huhne, Business Secretary for Energy and Climate Change urging a swift resolution of the review of the Renewable Obligation that will set the tariffs and subsidy for offshore wind that would create the climate of confidence necessary for investment. However, to date no response has been received.

Government has recently announced 5 designated CORE's Centres for Offshore Renewable Engineering. This link <http://www.bis.gov.uk/policies/business-sectors/low-carbon-business-opportunities/wind-manufacturing-funding> takes you to the prospectus and can also be found on our website at [www.keb.org.uk/about-keb](http://www.keb.org.uk/about-keb)

##### **Discovery Park**

Barbara Cooper, Director of Economic Development gave an update on the Pfizer site. She confirmed that there had been the successful bid for RGF funding allocation for East Kent. Pfizer have also confirmed that they are retaining 850 people on site, of which around 650 are scientists. Detailed negotiations over the future owners of the site are underway, it is understood that there are currently 2 preferred bidders.

Kevin Lynes mentioned the good work undertaken by the Innovation and Growth Team, now based in Kent under the name of "High Growth Kent" and headed by Paul Walsh, which was helping a number of promising Pfizer 'spin-outs'.

##### **Update on SELEP**

Graham report that John Spence was appointed as the new Chairman of SELEP. Early indications are that he has been an excellent choice, in his opening address he had stressed

“Subsidiarity”, ensuring that the SELEP focus only on matters that are best dealt with at SELEP level, leaving local matters to be dealt with locally. A new website [www.southeastlep.com](http://www.southeastlep.com) has now been launched. Formal launch of SELEP was held on Monday 12<sup>th</sup> December, at the palace of Westminster.

SELEP progress so far includes

- two Local Enterprise zones – one in Sandwich (Kent) and the other in Harlow (Essex)
- received and secured the largest allocation for Growing Places Funding (£32 million) outside of London.
- receipt of £27 million government funding to provide homes and businesses with broadband
- East Kent received around £40 million from the Regional Growth Fund(RGF) to help create up to 5,000 jobs and boost high-speed rail links
- E2v Technologies in Essex received £6.2 million RGF in April to provide them with increased capability, staffing and research and development to develop new applications and products for companies within medical and science, aerospace and defence, and commercial and industrial markets.

### **Update on BAB last meeting**

Graham gave a brief review of last BAB meeting which was focussed on how to stimulate Business Growth and generate demand in the economy. As a result it was decided:

- that at the January BAB the Regional Directors of the 4 High Street Banks have been invited to discuss how to improve lending rates to SME's
- members of BAB have volunteered to form a Task & Finish Group to input shaping a Trade Development programme focussed on the World Economies that are still in growth e.g. – the BRIC economies, and the so called 'next 11'.

An update will be provided at the next Board meeting.

### **3. Thames Gateway presentation**

Rob Bennett, Director of BBP Regeneration and Chairman of the Thames Gateway Kent Partnership in his presentation gave a summary of progress to date, and how the development will encourage economic growth and create jobs. Large changes in funding and less input from central government had meant that locally TGKP had needed to rethink its position. Under the new minister for Thames Gateway, Bob Neill it was clear that developments would be driven locally.

The numbers of partnerships had been greatly reduced, which had make progress more straightforward. It was clear that growth would in knowledge based industries, with housing targets falling away. Local skills levels were still proving an issue.

Rob spoke of the local successes achieved: new campuses at MidKent and North West Kent Colleges, SusCon in Dartford, the Innovation Centre in Medway, and Chatham Waterfront Bus station. He also indicated the progress that was still to follow.

He ended posing some issues for discussion and the meeting was opened to comments:

- What actions would most help businesses to grow and prosper in North Kent?
- On which issues is there value in working with Essex and London partners on a pan-Gateway basis?
- Do we still see value in the Thames Gateway brand?
- What can be done to speed development on the key sites in North Kent?

KL – acknowledged the merit in working across the Thames gateway, however, he was keen to ensure that local Kent based projects should not be held back.

BS – was keen to keep the Thames Gateway brand, this had merit in promoting economic activity but was unclear what the issues were on skills. DLJ - pointed out that the slide showing high number of individuals with level 2 skills was in fact a weakness, not enough of these were going on to achieve higher qualifications, and this lack of level 3+ skills was lowering the attractiveness to potential new businesses.

DS – commented how the 3 universities who share a campus at Medway might work more closely as an agent for driving business growth.

GB – pointed out that there was private investment available to build new homes, but unless this opportunity was seized quickly the investment would be made in other areas.

#### **4. DP World presentation**

Xavier Woodward, DP World London Gateway Communications Manager gave a presentation on the development that will combine the UK's newest deep-sea container port in London with Europe's largest logistics park. The port's location will provide operational systems and services to ensure that ships load and unload as fast as possible, making London Gateway an excellent asset for the UK and will handle an additional 3.5million TEU (Twenty-foot Equivalent Unit container).

The construction also includes the building of a double track railway line access, accommodating an existing power station, a gas power plant, building an access road to link with A13 and improving the M25 junction 30 to accommodate the expecting increasing traffic flows.

This development will reduce the total amount of lorries travelling on the national road network by bringing goods much closer to London and the southeast markets – reducing the distances travelled.

London Gateway will create 2,000 port jobs, 10,000 in logistics technical abilities and 30,000 operation jobs once all the phases have been completed.

The company had gone to great lengths to ensure that there were no environmental damages by monitoring the baseline for ecological and environmental reasons. 350,000 endangered species have been relocated and some tagged.

DP World expects that phase one of their new development will become operational in the fourth quarter of 2013. Members of the Board were invited for a tour of the site in the spring, which was universally agreed.

When asked as to what his opinion was regarding the proposed new airport in the Thames Estuary, Xavier gave his personal opinion that as long as the project does not interfere with deep water ships coming in the UK, as this may have an impact on DP World, it would be likely to be beneficial to UK PLC in the long run.

Members also wanted to know what sort of businesses this type of development would attract? Xavier responded by confirming that it is not a retail area, though they did have planning permission to build a hotel and developments to support and service the scale of the operation London Gateway will represent. He also mentioned that the company have started to see businesses taking a focus on providing services. Currently they have around 600 contractors on site everyday.

Graham Brown thanked Xavier for his excellent presentation. As time was short the video that was to be shown is available at [www.keb.org.uk/about-keb](http://www.keb.org.uk/about-keb) along with copies of all the presentations.