

Draft notes of the Kent Economic Board – 20 September 2011

This special meeting of the Kent Economic Board was convened to focus on the three key growth opportunities – Kent Rural Plc, the Vestas Option at Sheerness and Discovery Park – members of the Business Advisory Board had been invited to attend.

All the presentations and Board papers can be accessed at <http://www.keb.org.uk/news-and-events/article/latest-kent-economic-board-meeting/>

1. Welcome and introductions

The Chairman (Geoff Miles) welcomed David Smith, new Pro-Vice Chancellor at Christchurch, and James Speck, site Director at Kent Science Park attending for the first time. A warm welcome was also given to Matthew Delany from Vestas and Derek Hendry from Peel Ports attending for the presentation item on the future of the Port of Sheerness.

2. Notes of the previous meeting and matters arising

Sue Dunn briefed Board members on the consultation currently being undertaken by the Government on qualifications for 14 – 16 year olds. She explained that the KCC Cabinet had recommended the day before that the KEB be briefed and encouraged to comment on the consultation. She explained the background in respect of the Wolf Review published in May 2011, and commented that a recent OECD report highlighted that the UK education system was weak in terms of how it served vulnerable learners; managed the transition between education and work; and was overly focused on qualifications and league tables. This was compared with other European countries who demonstrated better connectivity between academic and technical qualifications and industry needs.

A link to the Government consultation had been circulated to members and posted on the KEB website – Sue asked members to register their comments.

3. Kent Rural Plc – explanation of the initiative and its key elements

Kevin Lynes, KCC Cabinet Member for Regeneration and Enterprise and Jon Regan, Director at Hugh Lowe Farms Ltd jointly gave a presentation explaining the concept.

Kevin explained that this idea emerged at the Sector Consultation event for Agriculture and Horticulture – KEB and KCC had jointly hosted with the NFU and CLA back in January – the idea was subsequently developed and launched at the County Show in July. Jon explained that since July an action plan had been pulled together to focus on the key elements of producing the Kent Rural Plc report, expanding R&D capacity, raising the profile of Inward Investment opportunities in the sector, skills, planning & infrastructure and communications. At the launch event delegates had been asked to pledge their support and thus contributions to progress the action plan are being drawn in from a variety of partners.

Kevin focussed on the issue of Broadband infrastructure – which had been flagged as a high priority at the sector consultation – indeed is flagged as a high priority at all the sector consultations. Kevin explained that BDUK has offered £9.87 million which only equates to 25% of the estimated costs of £42M which will be required to achieve universal superfast broadband coverage in Kent. The Government is looking for Local Authorities to identify how they can match the Government's contribution.

Currently KCC are considering a number of options including models that would involve JV arrangements with a provider that offers the prospect of establishing some income stream from the infrastructure.

Roger House asked if £42M would solve the problem – Kevin responded that KCC's estimate is that it would provide at least 90% coverage at up to 20 megabits and higher, with the remaining 10% getting some measure of improvement.

Terry Mitchell asked Jon what nature of regulation needed to be eased to support this sector – Jon cited the Agricultural Wages Board, which had been identified for abolition and yet is still issuing annual Agricultural Wages Orders, 2011's having just been published.

David Smith asked how the Kent Rural Plc sits with the rest of the LEP area for which Rural has been identified as a priority theme. Jon reassured him that as he is the Business Lead for this theme for the LEP he will ensure that where appropriate it will be properly aligned. To date what was evident is that Kent has developed a much more cohesive approach to Rural Sector development and has better evidence based insight into the business development issues for the sector.

Bernard Spring, asked to what extent the initiative would look at the range of food production skills and if this indeed was a need for the development of higher level skills in this sector. Jon agreed stating that the sector needs to attract more graduates and secure better provision for technical and certificated skills training associated with working with machinery etc.

Jon went on to comment that R&D needed to be more sharply focused on achieving commercialisation – eg globally 90% of apples grown on “root stock” developed at East Malling but East Malling had failed to capture commercial value from the widespread use of this product, and this is lost opportunity.

4. The Vestas Sheerness Option

Steve Gobbi's presentation explained the background to Peel Ports entering into an option agreement with Vestas to establish a wind turbine manufacturing facility at the Port of Sheerness – and he introduced Derek Hendry of Peel Ports, Programme Director for the Vestas project. The Vestas Option applies to approximately two thirds of the port area, 70 hectares, will involve some major reconfiguring of the Port, and provides the potential to create between 2 – 3 thousand new jobs.

The key conditions to securing the Vestas investment will be planning consent for the Port development; certainty on UK energy policy re subsidies and tariffs; and the development of an order pipeline from those companies who will be seeking to develop the Round 3 windfarm opportunities that will be using the huge next generation turbines.

Matthew Delany, Director Government Relations at Vestas then gave a presentation explaining the scale of the market opportunity Vestas are keen to service from the potential site at Sheerness. He identified that the Round 3 of offshore windfarms represent a step change in the technology as to date offshore had basically been on-shore technology adapted for the marine environment - but the scale of the windfarms for Round 3 demand technological advances and innovation of a different order. He stressed that Vestas is committed to Sheerness as the only potential site in the UK for their investment because of the location advantages it offers in terms of

access to the North Sea Windfarm fields, labour force availability and deep water berths.

5. Discovery Park

Prior to the presentation Paul Carter gave a quick summary of current issues including:-

- The imminent appointment of the LEP Chairman – subsequently John Spence has been confirmed in this role – and the fact that the LEP has now established its priorities and a series of work streams
- He commented on a recent visit to Shell Haven which he had made with the LEP – suggesting that the scale of this development will make a significant impact on the dynamics of Port activity
- Noted that ministerial support has been secured for the Thames Gateway and revised management structures are now largely in place
- And concluded with the suggestion that the National Planning Policy Framework would be a useful topic for discussion at the next Business Advisory Board.

Paul then gave the presentation entitled “A new future for East Kent and Discovery Park” – which sets out the actions and achievements to date of the Sandwich Economic Development Task Force which Paul has been chairing at the request of David Willets, Minister of State for Universities and Science. The presentation details the activity secured on site to date (approx 407 jobs) and the details of the Enterprise Zone Status. He paid tribute to Andrew Pearce who had worked creatively to provide the lions share of funding from the Environment Agency for the £24 million of flood defences needed to secure the site and Sandwich town into the future – adding that KCC and Pfizer had also made financial contributions to this total.

He outlined the support being provided for Pfizer staff and contractors in terms of Careers fairs, business start-up advice etc. In conclusion he set out the ambitions for the Regional Growth Fund Bid which is seeking some £40 million of RGF to support growing businesses, unlock loan and equity finance, supporting key infrastructure etc – and announcement on RGF is expected during October/November.

6. Dates of future KEB meetings

Wednesday 14 December 2011

2012 – all Thursdays - all at 5.00 – 7.00 pm

23 February

26 April

21 June

27 September

28 November