



Thames Gateway Kent Partnership

BOARD MEETING

Minutes of the **Thames Gateway Kent Partnership Board Meeting** held in the Darwin Room, Innovation Centre Medway, from 3.00pm to 4.30pm on **Friday 30 November 2012.**

Present:

Board members and observers:

Kamal Aggarwal, Thomson, Snell and Passmore
Professor Tom Barnes, University of Greenwich
Rob Bennett, BBP Regeneration (Chair)
Cllr Andrew Bowles, Leader, Swale Borough Council
Cllr John Burden, Leader, Gravesham Borough Council
Mark Dance, Cabinet Member, Kent County Council
Robert Goodman, Lend Lease
Cllr Jeremy Kite, Leader Dartford Borough Council
Ann Komzolik, North West Kent College
Andrew Pearce, Environment Agency
David Simms, Lafarge Cement

Also present:

Barbara Cooper, Kent County Council
Neil Davies, Medway Council
Mike Ellett, Jobcentre Plus
Terry Fuller, Homes and Communities Agency
Ross Gill, Kent County Council
Graham Harris, Dartford Council
Katharine Harvey, Thames Gateway Kent Partnership
David Hughes, Gravesham Borough Council
Abdool Kara, Swale Borough Council
David Liston-Jones, Thames Gateway Kent Partnership
Linda Searle, Thames Gateway Kent Partnership
Tony Sefton, London Resort Company Holdings Limited
Paul Whittlesea, Department for Communities and Local Government

Apologies:

Cllr Rodney Chambers, Leader, Medway Council
Rehman Chishti Member of Parliament
Naisha Polaine, Homes and Communities Agency

Item 1: Welcome and Introductions

1. Apologies were noted, as per the AGM.

2. As Tony Sefton had been delayed en-route to the Board meeting, the Chair announced that the order of the agenda items would be changed with Item 4, TIGER, to be taken immediately after the Minutes, followed by Item 3.

Item 2: Minutes of TGKP Board Meeting held on 21 September 2012 and Matters Arising

3. The draft Minutes were agreed. On matters arising, David Liston-Jones advised the Board:
 - Paragraph 11: A revised version of the Work Plan would be circulated once the requirements of the Partnership were clearer, particularly in respect of TIGER.
 - Paragraphs 17 and 20: This action had been remitted to the Officers' Group and will be looked at in a number of different forums.
 - Paragraph 24: Canvassing had been carried out to see whether it would be feasible to hold breakfast Board meetings. However, responses indicated the best availability was in the afternoons, so it was decided meetings should continue to be held in the afternoon.

Item 4: TIGER – Paper TGKP(12)19 by Ross Gill, Kent County Council

4. The Chair invited Ross Gill to introduce his paper. Ross explained that the paper set out the anticipated timetable for establishing the TIGER Scheme. A General Principles document was attached to the paper, which contained proposals for the operation, management and governance of TIGER. Ross explained that the paper outlined a proposed budget to support the management of the Scheme, and a suggested formula for local authority partner contributions. A copy of the paper and the General Principles document had been sent to Thurrock Council for their consideration and comment.
5. By way of background, in October 2012 £20million had been allocated from the Regional Growth Fund to deliver TIGER. Discussions were underway with BIS on the draft Conditional Grant Offer. BIS had offered to undertake the due diligence process in-house, with a consequent saving to partners of £20,000 in consultancy costs, and this process was due to start in December. Ross said that publicly we had said that the Scheme would be launched in April but it was hoped that it would be possible to bring this forward by about a month.
6. Ross explained that the original management budget of £1.5million could be reduced to £1.3million over 3.5 years through the use of using existing Expansion East Kent resources and further anticipated savings. The paper proposed that KCC should meet 55% of the TIGER management costs with the balance divided up amongst the other local authorities.
7. There were two issues on which discussions were still taking place with BIS and where agreement had yet to be reached:
 - State Aid Rules – within the bid, it had been proposed that both types of state aid could be offered, block exemptions and *de minimis*. BIS had been resisting use of the *de minimis* provisions, although it was hoped that there might be some flexibility on this issue;

- funding had been requested over 3 years up to 31 March 2016. However, there may be a requirement to spend the allocation by 31 March 2015 ie within 2 years.
8. With regard to governance, it was suggested the TIGER Board consist of the TGKP Board, plus the Thurrock Council Leader (or representative) and business representative from Thurrock, and two approvals panels, one for Thurrock and one for North Kent.
9. Finally, Ross said that he that would be grateful for a steer from the Board on the questions listed in section 6 of the paper.
10. In discussion a number of points were made:
- the proposed Governance arrangements, with a strategic Board defining the shape and operation of the scheme and two approval panels deciding individual applications was thought to be appropriate. It was argued that the approval panels would need to be consistent over standards;
 - it was pointed out that experience from the Expansion East Kent scheme had been that the work of the approval panels work would be onerous, with a heavy workload and frequent meetings;
 - the issue was raised over whether it would be possible to take an equity stake. It was argued taking equity stakes raised a number of issues, including legal issues, and it was a possibility that could perhaps be noted for the time being and considered as a policy question by the TIGER Board at a future date;
 - a question was raised on who would carry out the appraisals. Barbara Cooper said that it was important to have independent appraisal of applications. PricewaterhouseCoopers carried out the appraisals for Expansion East Kent. The appraisal contract for TIGER would need to be tendered; and
 - in response to a question on how long it would take to reach decisions on applications, Ross advised that for Expansion East Kent the timescale was 40 working days from full application to a decision.
11. **The Chair sought the Board's views on the questions in section 6.** These were as follows:
- it was agreed that a minimum loan value of £10,000 should be set;
 - in terms of whether or not loans should be unsecured, Members argued that there needed to be flexibility in terms of the conditions attached to loans. However, in general, Members agreed that TIGER loans should be mostly unsecured;
 - it was agreed that the scheme should operate primarily as a loan scheme, but the option to offer a grant should be retained;
 - the geographical allocations to North Kent and Thurrock were considered to be appropriate, although it was noted that the apportionment of the geographical allocations did not correspond with the apportionment of the management costs;
 - the proposed governance arrangements were agreed to strike the appropriate balance;
 - the proposed arrangements for the management team were also thought to be appropriate

- the proposed management costs were agreed to be realistic and broadly acceptable. However they should be regarded as a ceiling, and
- the formula for distributing contributions between local authorities was agreed to be acceptable. Representatives of local authorities present agreed, in principle, to make contributions at these levels to support the management of the Scheme.

12. **Summing up the discussion, the Chair sought views on whether a ‘special’ TGKP Board meeting should be convened** to consider the final scheme design and governance proposals. It was agreed that a special meeting be held, and that the Leader of Thurrock Council and a Thurrock private sector representative be invited to attend. It was agreed that this meeting would need to take place before February. The secretariat reported that canvassing had indicated Friday 25 January to be the most likely date to hold the meeting.

13. Finally, **the Board thanked Barbara Cooper and Ross Gill** for all their hard work on TIGER to-date.

Action: TGKP team to liaise with Thurrock regarding their availability and advise Board members once the date of the ‘special’ Board had been confirmed.

Item 3: Leisure Proposals for Swanscombe and Ebbsfleet – Presentation by Tony Sefton, London Resort Company Holdings (LRCH)

14. Tony Sefton was invited to make his presentation and he outlined the main features of the leisure proposals for Swanscombe and Ebbsfleet. These included:

- The scale of the proposals was huge – on the scale of Disneyland Paris. There had been a massive interest in the proposals since they had become public.
- There were many issues to be tackled including transport infrastructure, for example access from the A2 into the site. Crossrail ought to finish at Ebbsfleet.
- Many other infrastructure needs had to be addressed for example the requirement to pump in large volumes of water to the site to enable operation of the resort.
- The expected number of jobs created was likely to be in the region of 7,000 direct jobs, 3,000 on site on the hotel park, 4,000 in industrial estates supporting the resort, 3,000 within office communities, and 10,000 full-time jobs.
- There was a need to examine the training needs now and talk to schools and training providers about how the training requirements could be met. For example, there would be a huge requirement for high calibre catering staff. There would be many overseas visitors and so foreign language skills would be important.
- £2billion was needed to fund construction of the resort. A great deal of interest had been shown by potential funders.
- The resort would act as a portal to enable people to get out to surrounding places of interest and town centres in Kent.
- There would be street entertainment, with £45million to be spent on evening shows.

- Although Paramount was a global brand, the scheme proposers were keen to focus on British culture and films.
- In terms of timing, they were looking to obtain planning permission by September 2014. There would be a demand for a very substantial planning and design team.
- The proposers of the scheme were very keen to work in partnership with local stakeholders on all these issues. It was important to work together to ensure the highest possible standards are met, to gear up for the training needs and to make sure there was joined up thinking on the project.

The Chair invited comments from Board members:

- Mark Dance commented on the scale of the proposals and the enormous opportunities presented, and referred to experience elsewhere in Kent eg on hotel development, which could be relevant. Barbara Cooper added that KCC had set up an internal working group in the Council to make sure everyone was pulling together – there were 3 big schemes in the area which were inevitably linked; the Lower Thames Crossing, Ebbsfleet Valley and the Swanscombe leisure proposals.
- Jeremy Kite and John Burden reported to the Board how, as the two district authorities involved, they had been working very closely, and well, together on the issues raised by the proposals.
- David Simms said that Lafarge, as the landowner, had received many approaches about possible uses for the site over the years. These proposals were deliverable and Lafarge was very pleased to be backing the scheme.
- Andrew Pearce said the permitting timetable looked tight. He said Environment Agency would be happy to work with LRCH to seek to ensure that the permitting process did not hold up construction.
- Tony Sefton said LRCH were hoping to keep control of the process up to the planning stage; there were a number of groups interested in funding the project but some would want control of the project at this stage.
- Ann Komzolik raised the issue of the skills sets that were likely to be required. At Bluewater it had been as much about the need to instil the right attitudes and behaviours as about training in specific skills.
- Tom Barnes said there would be great opportunities for graduates and students – his university would be keen to be involved. Tony Sefton said he would be happy to work with the universities and colleges, and to learn from the experience at Bluewater and from the London Olympics.

The Chair thanked Tony Sefton for his helpful and informative presentation. These proposals offered a raft of potential opportunities for the area. It would be important for partners to work closely with Tony and his team over the next few months.

Item 5: TGSG: Issues for December meeting – oral report by David Liston-Jones

15. In view of the shortage of time the Chair asked that David Liston-Jones email Board members with the key points to be covered at the 20 December TGSG meeting.

Action: David Liston-Jones to email Board members.

Item 6: Budget Report and Future Funding – paper TGKP(12)20

16. David Liston-Jones introduced his paper which updated the Board on income and expenditure against budget for 2012/2013 and put forward proposals for funding for 2013/2014.

17. The Board agreed to the recommendations in paragraph 11 of the paper. Specifically, the Board:

- noted the position for funding in future years
- agreed that local authority funding contributions should be kept at current levels in cash terms for 2013/2014
- requested local authority Board members to make provision in their authorities' forthcoming budgets for funding contributions to TGKP for 2013/2014 at the same level as for the current financial year.

Action: Local authority Board members to arrange for provision to be made in their authorities' forthcoming budgets for funding contributions to TGKP for 2013/2014 at the same level as for 2012/2013.

Item 7: Updates on current issues from members

18. Jeremy Kite informed the Board about a visit to Dartford by Mark Prisk, Housing Minister, which had taken place the previous day.

19. John Burden updated the Board on the proposals for the development of Gravesend's Heritage Quarter.

Item 8: Chief Executive's Report - paper TGKP(12)21

20. David Liston-Jones advised that the items in the Chief Executive's Report were largely for information. However, the item on Lord Heseltine's Report invited suggestions from members on the points to be included in the Partnership's response.

Action: David Liston-Jones to prepare a letter to be circulated in draft for approval.

21. David Liston-Jones also advised he had drafted a letter on behalf of TGKP to Professor Alan Reed, University of Greenwich, in support of the Medway University Technical College application. He asked if the Board was content for him to issue the letter. The Board agreed.

Action: David to send letter of support to Professor Reed.

Item 9: AOB

22. David Liston-Jones advised the Board that a number of revisions needed to be made to the Partnership's Constitution to take account of changes in membership and recent Board decisions. These changes would be considered by the Officers' Group and then circulated to the Board for their approval.

23. David Liston-Jones further advised that the Economic Indicators Dashboard, Newsletter and Policy Update had been circulated with the papers for information.

24. There being no other business, the meeting closed at 4.30pm.

**Thames Gateway Kent Partnership
December 2012**