

Minutes of meeting held by the
East Kent Economic Development Group (EKEDG)
27/07/2016
Held at: Shepway District Council, Folkestone
10.00am – 11:45am

1. Welcome and apologies

Present:

Ray Johnson (RJ) (Chair)
Lee May (LM) – Brachers LLP
Daniel Sanguseppi (DS) – DG
Richard Christian (RC) – Dover Port
David Bradley (BA) – Red Apple Thinking
Chris Lewis (CL) – Shepway District Council
Andrew Cruttenden (AC) – Martello Building Consultancy
Steven Arnott (SA) -Shepway District Council
Brian Hall (BH) – Chamber

Apologies:

Jonathan Clarke
Paul Sayers
Nigel Woodley
Katherine Harvey
Tim Ingleton
Kimberley Anderson
Abigail Raymond

2. Minutes of Previous Meeting

Approved subject to a minor correction to para 2 of item 4 on P.2.

RJ welcomed David Bradley to the group and provided an overview.

3. Outstanding Actions

BH to circulate video from Port of Dover to wider chamber membership.

Michael Marsh from Barclays may join in this group. RJ & DS to have meeting with him to discuss in due course.

Following on from the presentation by Paul Sayers on apprenticeships RJ attended meeting at No. 10 Downing Street and raised the issue of importance of apprenticeships.

4. Chairman's Comments and Report

RJ reported he has been liaising with Kent Highways over maintaining and improving crucial Transport links into East Kent.

RJ had sent details where the Chamber will be supporting Otterpool Park.

RJ had been in discussions with various parties relating to the impacts of Brexit with local businesses, and in particular attended a round table discussion on behalf of the universities and insurance sector.

RJ has dispatched details relating to the Thames Estuary 2050 Growth Commission report.

RJ confirmed that Cardy Construction has appointed administrators. This was a £67m turnover business and its loss will have a significant impact on other local businesses.

RJ drew attention to the £5m fund from KCC to assist small businesses following Brexit.

5. Otterpool Park – Chris Lewis – Shepway District Council

The meeting received a presentation from Chris Lewis of Shepway District Council regarding the proposed “new town” development at Otterpool.

The site identified for development has a potential maximum capacity of 12,000 houses but is unlikely to result in that level of development. The Council is currently Awaiting DCLG response to its Expression Of Interest to receive support for this project.

The ownership of the site is split between various parties with Folkestone Race Course owning a significant proportion and having options over much of the adjoining land. Shepway District Council also owns 25% of the land.

A Co-operation Agreements being signed between key stakeholders.

Copies of CL's slides will be made available to the group, and Steven will send these on.

RJ indicated that the Chamber has already voiced its support for this project.

6. Sector Update

- DS reported that on whole the hospitality sector doing ok. Brexit has not yet impacted on sales – if anything there has been an increase in business recently. Probably due to people electing for a staycation as a result of the fall in the exchange rate for the pound and recent fears over terrorism on the continent.

The main post Brexit concern is in relation to the recruitment of low skilled workers. There is likely to be an increase in demand for labour with a reduction in supply leading to wage inflation.

There is positive sentiment in the industry relating to regeneration in Folkestone/Dover.

- RC reported that recently Tourist traffic is 7.8% down whereas Freight traffic is 1.2% up. The events of last weekend resulted in significant challenges due to heightened security checks. The Port Of Dover is engaging with government over how to prevent a repeat. The government's response helped to clear queues by Sunday afternoon.

The Western Docks revival is progressing well. There are questions over EU funding, the outcome is likely to be that money already earmarked should continue but there is not much point in applying for future funding. However, as the project is not reliant up EU funding it is not a risk to completion.

The Port has not yet seen a direct impact from Brexit. The Le Touquet Treaty (regarding migrants being processed in France rather than the UK) is remaining in place. The border needs to be both secure and efficient going forwards.

There is still uncertainty regarding how Brexit will pan out in relation to trade and the single market.

The Dover TAP scheme has been a success for Port Of Dover.

- AC reported that Construction was busy at moment. Brexit had no impact as yet. The Cardy Construction administration is very significant and will put pressure on other construction sector businesses.
- LM reported that Brexit has not had a short term impact. Hhowever there is a concern that in the longer term there may be a retreat from property by institutional investors.
- RJ reported that two smaller insurers recently went out of business. RJ had also recently spoken with a property investor who identified portfolio concerns in the longer term.

Currency impact on costs for business post-Brexit

- SA reported that post Brexit the Council is developing a locally led development strategy as ESF/RDF funding may no longer be available.

The Council is Working with Town Council and Costal Community Councils on funding application for £1.6m for deprived areas.

Shepway District Council's CIL levy is coming into effect 1st August.

- DB reported that there had been a poor harvest this year for grain in terms of both quantity and quality. Also grain prices globally are low. Top fruit yields are also a bit down.

For the agricultural sector Brexit presents a mixed picture:

- Meat sales into EU may be hit
 - Access to seasonal labour could have a major impact on viability of the fruit sector.
 - To lose direct support through the CAP unilaterally would be a problem as it would give competitors an advantage.
 - It is likely that the UK government will replace some form of subsidy but not on the level from EU
 - On the positive side there are potential export opportunities
- BH reported that membership/retention of Chamber members is up.

They have recently finished a good programme with schools and will continue with the Young Chamber. The BCC/Chamber is working on Brexit issues. Jo James is pressing government for infrastructure investment eg airport expansion at Heathrow and Lower Thames Crossing.

7. AOB

RJ inviting topics for consideration at future meetings

Date of next meeting

Next meeting 28/09/2016 - Betteshanger